DOCUMENT RESUME

ED 460 431 EA 029 854

AUTHOR	Stuiber, Paul; Swenson, Dean; Normandin, Heidi; Varana, David
TITLE	Charter School Program: An Evaluation.
INSTITUTION	Wisconsin State Legislative Audit Bureau, Madison.
REPORT NO	No-98-15
PUB DATE	1998-12-00
NOTE	103p.; Edited by Jeanne Thieme.
AVAILABLE FROM	Legislative Audit Bureau, 131 W. Wilson St., Suite 402, Madison, WI 53703. Tel: 608-266-2818; e-mail: leg.audit.info@legis.state.wi.us. For full text: http://www.legis.state.wi.us/lab/reports.
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	MF01/PC05 Plus Postage.
DESCRIPTORS	*Charter Schools; Comparative Analysis; Data Analysis; *Educational Assessment; Educational Finance; Elementary Secondary Education; Nontraditional Education; Program Evaluation
IDENTIFIERS	*Wisconsin

ABSTRACT

This report provides a performance and financial evaluation of Wisconsin's charter schools. It examines charter schools that were open during the 1997-98 school year, and it includes their educational programs, administrative policies, and enrollments. The report also details program expenditures, student performance, legal issues, and the effects charter schools have had on other district schools. To secure data, school-district administrators in each of the 14 school districts with charter schools were interviewed. In addition, available enrollment and test information were reviewed, along with funding the charter schools have received. The results identified two types of charter schools: those that enroll at-risk students and those that provide a general education appropriate for a wide range of students. The report compares charter-school programs and policies to regular district schools, including the advantages resident in charter schools. Concerns about charter-school programs are treated at length, such as financing, equity of funding, charter-school admissions, and ways to enhance charter-school operations. The document then turns to the future of the charter-school program, with a look at special-education services, legal challenges, concerns related to exemptions, tuition, effects on district schools, and possible legislative options. Appendices present charter-school test results and a list of new charter schools. (RJM)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 460 431

EA

AN EVALUATION

Charter School Program

98-15

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY
D.K. Barkelar
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
1

WISCONSIN

LEGISLATIVE AUDIT BUREAU

EA 029 854

BEST COPY AVAILABLE

AN EVALUATION

Charter School Program

98-15

December 1998

1997-98 Joint Legislative Audit Committee Members

Senate Members:	Assembly Members:
Mary A. Lazich, Co-chairperson	Carol Kelso, Co-chairperson
Peggy Rosenzweig	Stephen Nass
Timothy Weeden	John Gard
Robert Wirch	Gregory Huber
Kimberly Plache	Robert Ziegelbauer

LEGISLATIVE AUDIT BUREAU

The Bureau is a nonpartisan legislative service agency responsible for conducting financial and program evaluation audits of state agencies. The Bureau's purpose is to provide assurance to the Legislature that financial transactions and management decisions are made effectively, efficiently, and in compliance with state law and that state agencies carry out the policies of the Legislature and the Governor. Audit Bureau reports typically contain reviews of financial transactions, analyses of agency performance or public policy issues, conclusions regarding the causes of problems found, and recommendations for improvement.

Reports are submitted to the Joint Legislative Audit Committee and made available to other committees of the Legislature and to the public. The Audit Committee may arrange public hearings on the issues identified in a report and may introduce legislation in response to the audit recommendations. However, the findings, conclusions, and recommendations in the report are those of the Legislative Audit Bureau. For more information, contact the Bureau at 131 W. Wilson Street, Suite 402, Madison, WI 53703, (608) 266-2818, or Leg.Audit.Info@legis.state.wi.us.

State Auditor - Janice Mueller

Editor of Publications - Jeanne Thieme

Audit Prepared by

Paul Stuiber, Director and Contact Person
Dean Swenson
Heidi Normandin
David Varana

TABLE OF CONTENTS

LETTER OF TRANSMITTAL 1

SUMMARY 3

INTRODUCTION 9

- Program History 11
- New Charter Schools 16

CHARTER SCHOOL PROGRAMS AND POLICIES 19

- Similarities to District Schools 20
- Charter School Program Advantages 22

CONCERNS ABOUT THE CHARTER SCHOOL PROGRAM 25

- Charter School Financing 25
  - District Control of Charter School Funding 25
  - Equity of Charter School Funding 27
  - Consistent Level of Funding 32
- Charter School Admissions 34
- Measuring Charter School Performance 37
  - Measuring Academic Achievement 37
  - Attendance, Suspension, Expulsion, and Dropout Rates 40
  - Oversight of Charter Schools 43
- Enhancing Charter School Operations 44

FUTURE OF THE CHARTER SCHOOL PROGRAM 49

- Special Education Services 49
- Other Legal Challenges 52
- Concerns Related to Specific Charter School Exemptions 54
  - Criminal Background Investigations 54
  - Exemption from High School Graduation Examination Requirements 55
- Charging Tuition 56
- Effects on District Schools 58
- Possible Legislative Options 60

APPENDIX I – CHARTER SCHOOL PROGRAM INFORMATION AND STATEWIDE TEST RESULTS

APPENDIX II – NEW CHARTER SCHOOLS

APPENDIX III – RESPONSE FROM THE DEPARTMENT OF PUBLIC INSTRUCTION

State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

JANICE MUELLER
STATE AUDITOR
SUITE 402
131 WEST WILSON STREET
MADISON, WISCONSIN 53703
(608) 266-2818
FAX (608) 267-0410

December 8, 1998

Senator Mary A. Lazich and
Representative Carol Kelso, Co-Chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Lazich and Representative Kelso:

As required by 1993 Wisconsin Act 16, we have completed an evaluation of the charter school program. Charter schools, which are exempt from most state education regulations, are established by school boards and, within the boundaries of Milwaukee Public Schools, by several other entities. During the 1997-98 school year, 18 charter schools enrolling 1,472 students spent an estimated $7.4 million in state, federal, and local funds.

Although charter schools took advantage of their exemption from most state education regulations to provide greater flexibility in school operations, the schools' educational programs often resembled those of other district schools. However, some districts did use the opportunity the law provides to implement programs unique within their districts.

Several concerns have been raised about charter schools, including whether they receive equitable funding or discriminate during the admissions process. We found problems with some school admissions policies and procedures. In addition to recommending that the Legislature amend statutes to require random admissions lotteries, we present a number of best practices for consideration by school boards when they establish charter schools.

The program's expansion will likely be affected by a number of unresolved issues, including responsibility for providing special education services to students in charter schools in Milwaukee. In addition, if the Legislature wishes to foster the creation of additional charter schools, it could allow entities other than school boards, such as public university campuses, to establish charter schools statewide.

We appreciate the courtesy and cooperation extended to us by the staff at the 18 charter schools and by officials of the Department of Public Instruction, which has limited administrative responsibility for the program. The Department's response is Appendix III.

Respectfully submitted,

Janice Mueller

Janice Mueller
State Auditor

JM/PS/ce

SUMMARY

The Legislature created the charter school program in 1993 to provide educational alternatives for students in kindergarten through twelfth grade. Charter schools, which are established by contract between a public entity and school operators, are publicly funded, nonsectarian, tuition-free, and exempt from most state public school regulations. Enrollment is voluntary. Until recently, only local school boards could establish charter schools; however, in 1997, the Legislature allowed the City of Milwaukee, the University of Wisconsin (UW)-Milwaukee, and Milwaukee Area Technical College to create charter schools within the boundaries of the Milwaukee Public Schools (MPS) district. During the 1997-98 school year, 18 charter schools in 14 school districts enrolled 1,472 students and spent an estimated $7.4 million. As of October 1998, 14 new charter schools—including 3 schools established by the City of Milwaukee—planned to enroll almost 500 students in the 1998-99 school year.

Considerable debate has been raised about charter schools, including the amounts of funding they receive, the types of students they admit, their performance, and whether the schools are responsible for providing special education services to disabled students. In completing this evaluation, we examined the educational programs and administrative policies of the charter schools open in 1997-98, program expenditures, the performance of charter school students, legal issues affecting the program, and the effects charter schools have had on other district schools. We have broadly categorized charter schools into two types: those that enroll students at risk of failing or dropping out of high school, and those that provide a general education appropriate for a wide range of students.

School boards established charter schools for a number of reasons. The 18 charter schools open during 1997-98 took advantage of their exemption from most state education regulations to allow for more flexibility in curricula and staffing; however, the schools' educational programs often resembled those at other district schools. When seven preexisting district schools converted to charter schools, staff made few significant changes to these schools' educational programs. Further, many charter schools also had close administrative ties with their school districts. For example, district administrators often helped operate the schools, and teachers at 17 schools were district employes.

It is not surprising that the programs and policies of charter schools resembled those of other district schools because district administrators and teachers were often directly involved in operating the 18 schools. Nevertheless, the charter school program has provided districts with

several advantages. First, charter school teaching licenses and permits allow instructors to teach multiple subjects, which is important for small charter schools. Second, it is unlikely some districts would have offered the charter schools' educational approaches if the program did not exist. Third, the charter school program allowed districts to develop creative approaches used in schools in other districts.

Charter schools established by school boards typically are funded in the same way as other district schools. School districts receive state aid based on the number of students enrolled in their schools, including those in charter schools, and then distribute it to their schools. In contrast, for every student enrolled at a charter school established by the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College, statutes require the Department to pay MPS's per pupil shared cost, which is $6,052 in 1998-99, directly to the charter schools. Charter schools may also apply for funding from a federal charter school grant program, which is administered by the Department of Public Instruction. During the past two years, the grant program has provided Wisconsin with $3.3 million to help finance groups planning and operating charter schools.

Some have expressed concern that charter school operators could spend state aid inappropriately. This appears to have been unlikely during the 1997-98 school year, because the 18 charter schools open during that period had close relationships with their districts and typically shared the same cost-control and accounting procedures used by other district schools. There has also been concern among some that charter schools receive more funding than is provided to other district schools, while others believe districts may be providing charter schools with less funding. Comprehensive expenditure information does not exist for most charter schools because districts' cost accounting systems often do not indicate the cost of services provided to all district schools, such as administrative oversight, accounting and payroll services, and the use of district equipment. However, based on the best available information, we estimate that general education charter schools spent an average of $4,458 per pupil in 1997-98, compared to $4,918 for all schools in their districts. Charter schools educating students at risk of failing or dropping out spent, on average, $5,966 per pupil, compared to an average of $4,912 for all schools in their districts. This difference is to be expected, given the higher cost of educating this type of student.

Program statutes require charter contracts to designate the amount of funding districts will provide to their charter schools each year of the contract. However, only 4 of the 18 contracts included this information. To date, its absence has not caused problems for most existing charter schools because of their close relationships with their districts. However, few charter schools are likely to continue operating without adequate and predictable funding. In fact, Kickapoo River Institute in the North Crawford School District became the first Wisconsin charter school to close, in September 1998, in part because the district declined to provide

funding the school needed. Unlike Wisconsin, four other midwestern states provide charter schools with funding based on their districts' average per pupil spending, or some other state-guaranteed amount. The Legislature may, therefore, wish to ensure Wisconsin charter schools have at least an assured minimum level of funding, such as the average annual district per pupil cost to educate students. Charter schools serving students at risk of failing or dropping out of school would need more funding to reflect the higher costs of educating such students.

State statutes require charter schools' student enrollments to reflect the racial and ethnic balance of their districts, and federal regulations require charter schools receiving federal funds to conduct random admissions lotteries if applications exceed vacant spaces available. In 1997-98, two charter schools serving students at risk of failing or dropping out and one general education charter school enrolled significantly greater proportions of minority students than their districts. In contrast, the proportion of minority students at six general education schools was considerably lower than their districts' proportions.

Several reasons may explain the racial disparities. First, 14 of the 18 charter contracts do not explicitly address how the schools plan to achieve a racial balance that is similar to the balance in their districts. Second, seven general education schools had first-come, first-served admissions policies, which may not benefit minority students. To address this situation and to ensure compliance with federal requirements, we recommend the Legislature require general education charter schools to conduct random admissions lotteries when more students apply to a given grade level than there are vacant spaces available.

Charter schools are also required to administer statewide examinations that evaluate student performance. Available test results indicate that charter school students score higher, on average, than other district students. For example, students at only one charter school scored lower, on average, than other district students on the fourth- and eighth-grade Knowledge and Concepts Examinations. However, results were often unavailable for many charter school students, either because their scores were combined with other students' scores or because too few students took the tests to permit their scores to be reported.

Attendance and suspension rates for charter school students also provide some indication of the schools' effectiveness. However, not all charter schools calculate the rates, and those that do sometimes calculate the rates in ways that make comparisons difficult. Nevertheless, available data indicate that attendance rates at general education charter schools were similar to their districts' rates, while the rates at charter schools serving students at risk of failing or dropping out were often lower than their districts' rates, as may be expected.

School boards are responsible for ensuring charter schools adhere to the provisions of their contracts and provide students with a quality education. However, staff at 16 charter schools are uncertain which criteria their school boards will use to evaluate their performance. Only one contract we reviewed contained specific performance measures for the school to meet. Although the lack of formal oversight has not been a problem while charter schools have been closely affiliated with their districts, this may not be the case in the future.

Further, charter contracts concluded by school boards have sometimes not adequately addressed the provisions required by state statutes. Therefore, we present a number of best practices—ranging from enhancing cost accounting practices to better measuring student performance—that could both increase the likelihood of charter schools operating effectively and provide parents, the Legislature, and the public with better information.

A number of concerns affecting the future of the charter school program have not yet been resolved, including a dispute between the Department of Public Instruction and the City of Milwaukee over who is responsible for providing special education services to disabled students attending charter schools not established by MPS. As a result of this dispute, the Department has decided to provide city-established charter schools with amounts similar to those provided under the Milwaukee Parental Choice Program, which is $1,157 less per pupil than otherwise would have been received. In 1998-99, the three schools may receive $685,000 less in state aid than they expected. In addition, a fourth school that was ready to sign a charter contract decided to drop out of the program because of the dispute. The City of Milwaukee's common council voted in October 1998 to file suit against the Department, seeking full funding for its charter schools.

Although the Legislature exempted the charter school program from most state education regulations, some individuals believe the exemption could produce several negative consequences. First, statutes are unclear whether charter school professional staff are required to undergo a criminal background investigation intended to identify unscrupulous individuals who may harm children's safety. Therefore, we include a recommendation that the Legislature amend statutes to require the Department to conduct background investigations of all charter school teachers and administrators.

Second, when the Legislature amended statutes to replace the tenth-grade Knowledge and Concepts Examination with the high school graduation examination, it did not require school board–established charter schools to administer the test, although charter schools are required to administer all other statewide tests. Therefore, the Legislature may wish to modify statutes to require all charter schools to administer this test.

Third, program statutes prohibit charter schools established by the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College from enrolling students in the charter school program if the students attended a Milwaukee private school in fourth through twelfth grades the prior school year and were ineligible for the Milwaukee Parental Choice Program. Schools would appear to be required to dismiss these students, or allow them to attend school without charge, because program statutes prohibit charter schools from charging tuition. Because some individuals, including officials at the Department, believe the Legislature did not intend to compel schools to dismiss students, we include a recommendation that the Legislature modify statutes to allow charter schools to charge tuition to non–charter school students or to enroll students at all grade levels in the program even if they paid tuition the prior year.

Because, general education charter schools compete directly with other district schools for students and resources, some individuals believe that if enough students transfer from other district schools to charter schools, district schools will be compelled to improve their operations. However, during the 1997-98 school year, only 0.6 percent of district students attended general education charter schools, too few to provide a significant level of competition.

Nevertheless, charter schools established by the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College may potentially have significant effects on MPS because the district loses general equalization aid for every student enrolled in these charter schools. Currently, the three city-established charter schools enroll only 0.3 percent of MPS' students, too few to affect the district significantly. However, through October 1998, the city had received seven additional applications from schools interested in charter school status; UW-Milwaukee officials, who plan to establish charter schools during the 1999-00 school year, had also received seven applications; and 27 nonsectarian private schools in the Milwaukee Parental Choice Program would also be eligible. These schools may eventually compete with MPS for significant numbers of students. The Legislature also recently allowed school boards statewide to convert private schools to charter schools, as well as to decide whether charter school staff are district employes. School boards have not yet taken advantage of these options.

There are additional program modifications the Legislature can consider if it wishes to expand the number of charter schools in the state. First, it could allow UW campuses and technical colleges statewide to establish charter schools. Three other midwestern states allow post-secondary institutions to establish charter schools. Second, the Legislature could authorize the Department to establish charter schools.

****

INTRODUCTION

Charter schools are intended to provide students with expanded educational opportunities.

In 1993, the Legislature created the charter school program to offer students in kindergarten through twelfth grade educational opportunities that may not otherwise have been implemented within the existing educational system and, some believe, to promote educational innovation within local school districts. Under the program, local school boards—and more recently the City of Milwaukee, the University of Wisconsin (UW)-Milwaukee, and Milwaukee Area Technical College—may establish publicly funded, nonsectarian, tuition-free schools that are exempt from most state public school regulations. Students voluntarily enroll in charter schools, which are supported by local property taxes and state and federal funds distributed by the Department of Public Instruction, which otherwise has limited responsibility for program oversight.

Eighteen charter schools enrolled 1,472 students during the 1997-98 school year.

Charter schools that have been established serve students seeking a general education and those at risk of failing in or dropping out of school. Statutes require that a charter school's operators, who may be teachers, parents, or private contractors, enter into a charter contract with a school board or other establishing entity that specifies the public funding the school will receive, as well as information about the individuals who will operate the school, the school's educational program and operating policies, and other matters. Through the 1997-98 school year, Wisconsin school boards had established 18 charter schools that served 1,472 students in 14 school districts throughout the state.

The charter school program was created as one part of an overall effort to improve primary and secondary education in Wisconsin. In addition to the program, students throughout the state may enroll in public schools located outside of the districts in which they live. Low-income Milwaukee students may participate in the Milwaukee Parental Choice Program, which allows students to enroll in private schools.

The Legislature did not include specific goals for the charter school program in statutes. However, Wisconsin was not the first state to implement such a program, and it is likely that the Legislature looked to accomplish goals similar to those established by other states. Nationally, charter schools have been established to accomplish a variety of objectives, including creating new professional opportunities for teachers, establishing new forms of teacher and school district accountability, and providing enhanced opportunities for parents to influence the direction and content of their children's education.

However, two goals appear to be consistent among states' programs:

- providing families with educational choices, which may be especially valuable for students who have difficulty in existing district schools; and

- encouraging the use of different and innovative teaching methods.

Because charter schools are exempt from most public school education regulations, proponents believe that charter schools are likely to implement innovative teaching methods that can serve as models of reform for traditional public schools and that may also lead to increased student achievement.

In contrast, opponents of charter schools believe they may harm the common public school system by purposely excluding some students who cost more to educate, such as those who lag academically, have special education needs, or belong to certain ethnic groups. In addition, opponents believe established regulations exist to protect students and guarantee that every student receives a quality education, and they suggest that unproven educational approaches may eventually be considered unsuccessful or even deleterious.

Wisconsin's charter school program has inspired considerable public debate about educational quality and equity, and it has led to a number of lawsuits since its inception. In some Wisconsin school districts with charter schools, concerns have arisen about funding, student admissions and performance, and the responsibility for providing special education services, as well as other issues. 1993 Wisconsin Act 16, which created the program, requested that the Legislative Audit Bureau perform a financial and performance evaluation of it. Therefore, to address both legislative and public concerns, we reviewed:

- charter schools open during the 1997-98 school year, including their educational programs, administrative policies, and enrollments;

- program expenditures;

- student performance;

- legal issues affecting the charter school program; and

- the effects charter schools have had on other district schools.

In completing our evaluation, we reviewed applicable state statutes and federal regulations, spoke with officials of the Department of Pubic Instruction, and visited the 18 charter schools open during the 1997-98 school year. We also spoke with school district administrators in each of the 14 districts that had charter schools in 1997-98; officials of the City of Milwaukee; and interested observers of the charter school program, including groups that provide support to those considering establishing a charter school. We reviewed available enrollment and test information for charter school students, as well as data collected on attendance, suspension, expulsion, and dropout rates, and we analyzed both the funding charter schools have received and their expenditures. Finally, we spoke with officials of the federal Department of Education, which provides states with charter school funding.

We also spoke with education agency staff and charter school associations in four other midwestern states with charter schools. In Ohio, the first 15 charters schools began operation in fall 1998. In addition, during the 1997-98 school year, Illinois had 7 charter schools that enrolled approximately 2,100 students; Michigan had 108 charter schools that enrolled approximately 21,000 students; and Minnesota had 27 schools that enrolled approximately 2,500 students.

Program History

Two types of charter schools have been established.

We identified two types of charter schools that have been established in Wisconsin. Some schools are intended to provide students at risk of failing or dropping out with educational opportunities they may not have otherwise received. These charter schools are not intended to compete with other district schools for students. In contrast, general education charter schools offer programs in which any district student may enroll. These schools not only provide students with additional educational options, they may also compete with other district schools for students and resources. Regardless of the type, no student may be compelled to enroll in a charter school.

Eight charter schools serve students at risk of failing or dropping out of school.

As shown in Table 1, 18 charter schools enrolled 1,472 students in 1997-98. Eight schools with 529 students offered programs designed for students at risk of failing or dropping out, while ten schools with 943 students offered general education programs. In September 1998, Kickapoo River Institute closed. Information about all 18 charter schools is provided in Appendix I.

Table 1

Charter Schools
1997-98 School Year

	School District	Began Operation	Grades Served	Enrollment
At-Risk Schools				
Appleton Central Alternative School	Appleton	Jan. 1997	9-12	87
Beaver Dam Charter School	Beaver Dam	Jan. 1995	6-12	139
Deerfield Charter High School	Deerfield	Oct. 1996	9-12	13
McKinley Charter School	Eau Claire	Aug. 1996	6-12	43
Ladysmith Evening Alternative School	Ladysmith-Hawkins	Jan. 1997	9-12	13
Lancaster Academy	Lancaster	Jan. 1997	9-12	5
Affiliated Alternatives	Madison	Aug. 1995	7-12	163
Middleton Alternative Senior High	Middleton-Cross Plains	Aug. 1995	9-12	66
Subtotal				529
General Education Schools				
Paideia Academy	Kenosha	Aug. 1997	7-8	46
The Brompton School	Kenosha	Aug. 1997	K-6	89
School of Technology and Arts I	La Crosse	Oct. 1995	K-5	68
School of Technology and Arts II	La Crosse	Aug. 1997	6-8	41
James Wright Middle School	Madison	Jan. 1995	6-8	197
Highland Community School	Milwaukee	Aug. 1996	K-3	73
Kickapoo River Institute	North Crawford	Aug. 1997	9-12	23
Teachers Educating, Advising, and Mentoring Students	Stevens Point	Aug. 1994	10-12	95
Core Knowledge Charter School	Verona	Aug. 1996	K-8	236
New Century School	Verona	Aug. 1995	K-5	75
Subtotal				943
Total				1,472

As shown in Figure 1, the charter schools are located throughout the state in 14 school districts. Four districts had two charter schools.

Figure 1

School Districts with Charter Schools
1997-98 School Year

Although 1993 Wisconsin Act 16, which created Wisconsin's charter school program, allows the schools to be established either through teacher petition or directly by local school boards, all 18 schools were established by school boards, typically at the suggestion of district administrators. However, individual teachers helped to establish five schools, and parents participated in the establishment of four schools.

Most charter schools were established to take advantage of their exemption from regulations.

School boards often established charter schools for multiple reasons, but most often to take advantage of the flexibility the charter school law provides. District officials reported that:

- 13 schools were established to take advantage of charter school exemptions from state education regulations and standards, such as those requiring public schools to provide instruction in physical education, music, and art;
- 9 schools were established to take advantage of exemptions from standard teaching credentials for educators;
- 2 schools were established to obtain federal grants that are available to newly created charter schools;
- 2 schools were established as part of a district plan to hold schools accountable for providing a quality education;
- 2 schools were established to encourage other schools in the same district to improve their operations; and
- 1 school was created to combine the administration of four alternative education programs.

In addition to specifying how a charter school will provide information about the qualifications of those who will operate it, as well as how it will be funded and governed, charter contracts between the schools' operators and the entities that establish them are required by statute to describe:

- the educational program of the charter school, as well as how the school will ensure students attain basic academic skills and knowledge, including the ability to read, write, spell, and perform arithmetic;
- admission requirements and the means by which the school will achieve a racial and ethnic balance among students that reflects the district as a whole;
- the manner in which administrative services will be provided, including procedures for disciplining students and ensuring student health and safety;
- how annual financial and programmatic audits will be conducted;

- school facilities and the types of liability insurance to be carried, as well as the charter school's effect on the school district's liability; and

- public school alternatives for students who do not wish to attend the charter school or who are not admitted.

A school board may revoke its contract with a charter school.

The term of a charter school contract may not exceed five years, although contracts are renewable. A participating school board may revoke a contract if it determines that the charter school violated the contract, its students failed to make sufficient progress toward attaining state educational goals, or the charter school did not comply with generally accepted accounting standards.

Before 1995, statutes permitted no more than 20 charter schools to be established statewide, with no more than 2 schools per district. School boards needed the approval of the State Superintendent of Public Instruction to establish charter schools, and the State Superintendent was permitted to revoke a school's charter if its school board could not demonstrate significant progress toward operating the charter school. School boards were also prohibited from spending, on an average per pupil basis, more on charter school students than on non-charter school students.

1995 Wisconsin Act 27, the 1995-97 biennial budget, repealed all of these provisions and specified three additional modifications to the charter school program. First, two or more school boards were permitted to establish a charter school jointly. Second, school boards in first-class cities (currently, only Milwaukee) were allowed to convert private schools to charter schools. Third, Act 27 prohibited staff of charter schools located in first-class cities from being employes of the school district; prior to 1995, all charter school staff were district employes. The Legislature later modified this provision to allow the Milwaukee School Board to determine whether staff at charter schools it establishes are employes of the district or private employes of the charter school.

Charter schools in Milwaukee may be established by four separate governmental bodies.

In addition, 1997 Wisconsin Act 27, the 1997-99 biennial budget, authorized the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College to establish charter schools within the established boundaries of the Milwaukee Public Schools (MPS) district. MPS is not involved with the establishment of these charter schools, nor does it oversee them.

1997 Wisconsin Act 238, enacted in June 1998, further modified the charter school program by stipulating that:

- school boards—but not the City of Milwaukee, UW-Milwaukee, or Milwaukee Area Technical College—must consider the fiscal effects on the district before establishing a charter school;

- two or more districts may contract with a cooperative educational service agency to establish a charter school;

- school districts statewide may convert private, nonsectarian schools to charter schools; and

- school districts statewide may determine whether staff at charter schools established after June 1998 are school district employes.

New Charter Schools

Fourteen new charter schools opened in fall 1998.

As of October 1998, 14 new charter schools—in addition to the 18 that had operated in the previous school year—were open. Although final enrollments had not yet been determined at some of the schools, charter school operators hoped to admit almost 500 students at the 14 schools. One school hoped to enroll up to 180 students, while 8 schools planned to enroll 20 or fewer students each.

School boards chartered 11 of the schools, which are located throughout the state. In addition, the City of Milwaukee established three charter schools that began operation in the 1998-99 school year:

- Downtown Montessori Academy will provide up to 75 kindergarten students with a Montessori education, which emphasizes the need for students to develop at their own pace intellectually, physically, and emotionally;

- Khamit Institute will provide up to 80 students in kindergarten through eighth grade with a multicultural education that emphasizes the accomplishments of the early Egyptian civilization; and

- Marva Collins Preparatory School of Wisconsin will provide up to 180 students in kindergarten through fourth grade with an education based on traditional approaches, such as phonics.

Nine of the 14 schools will serve students at risk of failing or dropping out. Five schools serving elementary and middle school students will provide a general education to district students. Information about the newly created schools is presented in Appendix II.

Three new City of Milwaukee schools may differ substantially from other charter schools.

Some believe that because organizations other than the school board can establish charter schools in Milwaukee, these schools are likely to be substantially different from those established thus far by local school boards. However, the extent to which they will differ from other charter schools is not yet known. The three schools recently chartered by the City of Milwaukee have been in operation for too short a time to assess their effectiveness.

We did not attempt to analyze the operations of charter schools established at the beginning of the 1998-99 school year because they have been open for only a few months. Therefore, to assess the effectiveness of charter schools in providing students with alternative opportunities, we examined the educational programs and administrative policies at all 18 charter schools open during 1997-98.

****

Limited educational innovation has occurred in existing charter schools.

Although the goals of Wisconsin's charter school program have not been clearly delineated in statutes, the 18 charter schools established through the 1997-98 school year have, in general, not provided the innovation that the Legislature may have intended. We found that the charter schools' educational programs and administrative policies often resembled the programs and policies at other district schools. Nevertheless, without the charter school program, it appears unlikely that school boards would have created a number of these schools, which provided families with additional educational options.

State education regulations require districts to provide all students enrolled in public schools with access to physical education, art, and music instruction. Regulations also require districts to provide: 1) students in kindergarten through fourth grade with regular instruction in reading, language arts, social studies, mathematics, science, and health; 2) students in fifth through eighth grade with regular instruction in language arts, social studies, mathematics, science, health, and career exploration and planning; 3) students in seventh and eighth grade with foreign language instruction; and 4) students in ninth through twelfth grade with access to instruction in English, social studies, mathematics, science, vocational education, and foreign languages.

The Legislature exempted charter schools from these regulations. In addition, unlike traditional public schools, charter schools are not required to provide guidance, emergency nursing, and library media services, nor must they provide a minimum number of days or hours of instruction per school year. However, like traditional public schools, charter schools must:

- administer the fourth-, eighth-, and tenth-grade Knowledge and Concepts Examinations and the third-grade Reading Comprehension Test;
- be included in a school district's annual school performance report, with the exception of charter schools established by the City of Milwaukee, UW-Milwaukee, or Milwaukee Area Technical College; and
- have an appropriate plan to ensure safe and healthful facilities for students.

Charter school teachers, as well as teacher aides for special education students, are required to have an appropriate license or permit. Charter school licenses are provided to staff who have a teaching license issued by the Department of Public Instruction, authorizing them to perform any instructional duty at the charter school. A one-year, renewable charter school permit is provided to a teacher if a search for a licensed individual is unsuccessful; the individual has a bachelor's degree in the subject he or she will teach, or has formal proof of mastery of the trade to be taught; and the individual annually completes six credits of work in the assigned subject at an approved institution. As of October 1998, the Department had issued licenses to 64 charter school teachers and permits to only 3 teachers.

Similarities to District Schools

We found that the educational programs and administrative policies of the 18 charter schools open during 1997-98 often resembled those at other district schools. In addition, public school education regulations would have permitted many of the approaches used at the charter schools. However, given the manner in which these schools were established, it may be unrealistic to expect the schools to provide substantive innovation within the public school system.

Few changes were made at seven schools that converted to charter schools.

The similarity between charter schools and other district schools can be seen among the seven schools that began as regular district schools and were later converted to charter schools. Few significant changes resulted from the conversion of these schools. For example:

- Affiliated Alternatives was established to combine four public school alternative programs administratively. School officials reported that the educational approaches of these programs, some of which had existed for many years, did not change when the charter school was established.

- James Wright Middle School was formerly a traditional public middle school. Although private businesses and public post-secondary institutions now help to provide students with computer training, the school offers the same curriculum as other district schools.

- Ladysmith Evening Alternative School was converted to a charter school six months after the school was established. Staff indicated the curriculum did not significantly change when it became a charter school.

In addition, charter schools did not differ from other district schools in other respects. For example, students at most charter schools earned the same credits as other district students, and students at seven of the eight charter high schools could earn a standard district diploma.

Charter school staff often cite the organization of a school's curriculum as a factor that distinguishes charter schools from traditional public schools. Fourteen schools integrated their curricula by, for example, drawing connections between mathematics and science through study of the accomplishments of the National Aeronautics and Space Administration. The curricula at four charter schools focused on particular themes, such as the environment, technology, or the arts. Five charter schools' curricula were based on particular educational philosophies, such as the Montessori approach, which emphasizes the need for students to develop at their own pace intellectually, physically, and emotionally.

Regulations would not prohibit many charter schools' educational programs.

However, public school regulations permit district schools to integrate their curricula, organize instruction around themes, and adopt particular educational philosophies, and some districts throughout the state have done so. For example, MPS includes 3 Montessori schools, as well as 11 schools that provide intensive study of foreign languages and the fine arts; the Madison Metropolitan School District includes a middle school that focuses instruction on environmental issues; and a middle school in La Crosse focuses on ecological issues.

Many staff cited flexible school hours as another benefit of the charter school program. Students at some at-risk charter schools attended school for only part of the day and worked or completed community service projects at other times. Several general education charter schools held classes at times that differed from other district schools' class times. However, although public school regulations require that public schools provide 180 days of instruction per school year and a specified number of hours of instruction based on grade level, they do not prohibit flexible school hours. Although daily school hours at nine charter schools differed from those at other schools in their districts, the school year at only Kickapoo River Institute differed from its district's school year.

Charter school administrative policies were similar to those of other district schools.

Many charter schools had close administrative connections to their school districts. District administrators often assisted in operating the schools, and five charter schools' chief administrators had other district jobs, such as serving as the principal of another school. Staff at all charter schools except Highland Community School were district employes and earned the same pay, were eligible for the same benefits, and belonged to the same union as their districts' other employes. In addition, most charter schools followed their districts' health, safety, discipline, and other administrative policies.

It is not surprising that the programs and policies of charter schools resembled those of other district schools. For example, all schools must provide students with instruction in English, mathematics, and other core courses, and it is important that students learn basic knowledge and skills, regardless of the particular educational setting in which the courses are offered.

Moreover, outside of Milwaukee, only school boards are allowed to establish charter schools. As a result, district administrators and teachers played central roles in establishing most of the 18 schools, and they were also often directly involved in school operations. In contrast, parents provided the impetus for establishing only 4 of the 18 schools. Although many charter schools, especially those providing a general education, required at least some parental involvement on an advisory or governing board, in only a few schools did parents exercise significant control over the schools' operations. Some believe that the substantial influence of school district personnel in the creation and operation of charter schools precludes the development of innovative programs and administrative policies; they argue that true innovation is possible only in situations in which control is vested in entities other than school boards, such as public universities or municipal governments.

In addition, some believe it is not a coincidence that several charter schools established at the impetus of parents and teachers, which offered education programs distinct from their districts', generated controversy and faced opposition from individuals within the public school system. For example, district officials indicated that the Kickapoo River Institute, which conducted many classes outdoors in a non-traditional academic setting, did not have strong school board support and, as a result, recently closed. Highland Community School in Milwaukee has faced opposition from the teachers' union. In addition, some believe that Verona Area School District administrators are not fully supportive of the Core Knowledge Charter School, which offers a back-to-the-basics approach that differs from other district schools' approaches.

Charter School Program Advantages

Special teaching licenses and permits have been beneficial to charter schools.

In spite of the similarities to other district schools and the lack of substantive educational innovation, the charter school program has provided districts with several important advantages. First, charter school teaching licenses and permits allow the schools the flexibility needed to provide instruction in different topic areas with a small number of staff. Most charter schools enrolled fewer than 100 students and employed only a few teachers in 1997-98. For example, the Kickapoo River Institute had only one full-time teacher, who was assisted by two aides and a part-time Spanish teacher. In addition, the smaller schools that focus on educating students at risk of failing or dropping out, including Deerfield Charter High School, Ladysmith Evening Alternative School, and Lancaster

Academy, employed only one teacher. Without the special licenses and permits provided through the charter school program, charter schools would need to hire separate staff for each subject area, which would be prohibitively expensive for many of them.

Second, even though districts could have established any of the educational programs offered without creating a charter school, it is unlikely that some districts would have chosen to offer these educational opportunities absent the charter school program. The program has provided some parents and teachers the impetus they needed to encourage school districts to authorize charter school programs.

Charter schools have implemented approaches developed by other districts.

Finally, although the educational programs offered by charter schools were generally not unique to the Wisconsin public school system, several were new to the districts that established them. Consequently, some districts establishing charter schools were able to adopt the approaches taken by schools in other parts of the state rather than invest additional resources in developing an approach themselves that may already have been refined by another school.

****

CONCERNS ABOUT THE CHARTER SCHOOL PROGRAM

Several concerns exist about the charter school program.

Concerns have been raised about several aspects of the charter school program. First, some individuals wonder whether charter school operators have spent funds appropriately and whether districts have provided charter schools with funding that is comparable to that in other schools. Second, a number of individuals believe that the student admissions policies of some charter schools exclude some types of students. Third, some individuals are concerned that the type of information needed to evaluate the performance of charter schools is unavailable. In addition to addressing these concerns, we provide a list of best practices that may result in the development of successful charter schools.

Charter School Financing

Some individuals have expressed concern that unscrupulous charter school operators could spend state aid inappropriately. Others are concerned that charter schools may draw excessive resources away from other district schools or may receive inadequate funding, either of which would harm the educational prospects of students. To address these concerns, we reviewed the funding mechanisms and cost controls that are in place and the best available information on charter school expenditures.

District Control of Charter School Funding

Most districts with charter schools fund them in the same manner as other district schools. In addition, the charter schools in operation during 1997-98 typically shared the same cost-control and accounting procedures as other district schools, making it unlikely that charter school operators misspent the public funds they received.

State aid is provided directly to some Milwaukee charter schools.

Statutes require the Department of Public Instruction to provide state aid directly to the operators of charter schools established by the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College. The Department must pay the schools an amount equal to MPS's per pupil expenditures funded by state general equalization aid and local property taxes. Known as the district's shared cost, this amount is $6,052 for the 1998-99 school year. No charter schools had yet been established by any of these entities during 1997-98.

Most charter schools are funded in a manner similar to other district schools.

In contrast, charter schools established by school boards do not receive state funding directly. State aid is provided to school districts based on the total number of students enrolled in the districts' schools, including charter schools. In the 1997-98 school year, state general equalization aid averaged $4,004 per pupil. State categorical aid for certain types of students, such as those with exceptional education needs, is also available. Districts decide for themselves how to apportion this aid among all district schools, including charter schools, and districts are not required to provide charter schools with a minimum amount of funding.

Two districts fund their charter schools in a manner notably different from other district schools. First, a September 1994 public referendum that raised taxes allows Beaver Dam to fund its charter school without shifting resources from other schools. Second, MPS and Highland Community School's staff negotiate funding on a per pupil basis, using a process similar to the one MPS uses with its contract schools, which are alternative schools with which the district negotiates for educational services to students at risk of failing or dropping out.

In 1997-98, 17 charter schools received an average of $57,400 in federal funding.

In addition to funding received from their school districts, charter schools can apply to receive funding from the federal charter school grant program. During the past two years, the federal government made $3.3 million available to Wisconsin. The Department of Public Instruction distributes the funds and administers the program, which provides supplemental funding to groups that are planning new charter schools and to operators of existing charter schools. The Department distributed an average of $20,200 each to groups planning 70 charter schools. In addition, it distributed an average grant of $59,600 to each of 12 operating charter schools in 1996-97, and an average of $57,400 to 17 schools in 1997-98. Lancaster Academy did not receive a grant because it opened too late to apply.

Charter schools may receive federal operational funding for two years only. Although federal regulations require districts to have a plan for funding their charter schools after grant funding ends, we found that this is not always the case. Staff at three charter schools stated they were uncertain how their schools will obtain sufficient funding in future years after they spend their grant funds.

As noted, some individuals have questioned whether financial controls on charter schools are sufficient to prevent unscrupulous administrators from spending public funds inappropriately. However, the close relationship between most charter schools and their respective districts prevented potential problems from developing. Not only do charter schools established by local school boards adhere to the same accounting standards as other district schools, all but one charter school—Highland Community School, which is part of MPS—use the same purchasing, billing, and auditing procedures as other schools in their districts.

Typically, when a charter school operator wants to purchase supplies or equipment, the operator submits a purchase order to the district, which procures the items and debits the school's account. Although Highland Community School does not follow the same cost accounting procedures as other MPS schools, its contract requires strict financial controls, including an annual audit. We found that all of the schools are audited annually.

Many charter contracts do not include statutorily required funding information.

It should be noted that s. 118.40(3)(b), Wis. Stats., requires a charter school's contract with its school district to specify the amount to be paid to the school during each year of the contract. However, based on the most recent contracts available at the time of our review, we found that only four—the Kickapoo River Institute's contract with the North Crawford School District, the McKinley Charter School's contract with the Eau Claire Area School District, and Paideia Academy's and The Brompton School's contracts with the Kenosha Unified School District—specify annual funding amounts for all years the contracts will be in effect. The remaining 14 contracts include funding information for one year only, indicate the amount will be negotiated annually, or include no funding information.

Including this information is important because problems may occur if funding levels are not clearly established in the charter contracts: the charter school administrators' ability to hire faculty and staff may be hampered, along with their ability to determine whether funds are adequate to purchase textbooks, computers, and other classroom supplies and equipment. In addition, charter schools established in the future may be more independent from their districts, which could increase the likelihood that funding problems may occur.

Equity of Charter School Funding

In the 1997-98 school year, charter schools spent an estimated $7.4 million.

Some individuals are concerned that charter schools receive more funding than other district schools, thereby harming the educational opportunities of students at those district schools. In contrast, others believe school districts may be providing charter schools with less funding, preventing the schools from operating effective programs. Complete information about charter school expenditures is unavailable because districts typically provide charter schools with a variety of services that, in many instances, are not included in the schools' budgets. Nevertheless, excluding costs we could not determine, we estimate that charter schools spent $7.4 million in 1997-98. In addition, it appears that general education charter schools spent roughly the same amount as other district schools, on average, while charter schools serving students at risk of failing or dropping out spent considerably more than other district schools.

All charter schools except Highland Community School receive administrative and other services from school districts. However, few districts maintain the type of cost accounting system needed to accurately allocate administrative and other expenses to the schools incurring these costs. Consequently, these costs are not included in our estimates. For example:

- an assistant principal in the Appleton Area School District provides administrative oversight to Appleton Central Alternative School, and the superintendent of the Lancaster School District manages Lancaster Academy;

- Beaver Dam Charter School receives accounting, payroll, and purchasing services from the district central business office;

- Ladysmith Evening Alternative School students use the district high school's computers, kitchen, and library; and

- Lancaster Academy is located in the district's central administrative building but pays no rent.

Available information indicates that charter schools spent approximately $7.4 million during 1997-98, as shown in Table 2. Personnel expenditures accounted for 80.5 percent of the total, while non-personnel expenditures accounted for 19.5 percent. However, there is substantial variation in personnel expenses among charter schools, which can be explained largely by the number of staff employed at each school.

Table 2

Charter School Estimated Operating Expenditures
1997-98 School Year

	Non-Personnel Expenditures	Personnel Expenditures	Total Expenditures
At-Risk Schools			
Appleton Central Alternative School	$ 33,800	$ 462,200	$ 496,000
Beaver Dam Charter School	71,500	437,400	508,900
Deerfield Charter High School	17,900	54,500	72,400
McKinley Charter School	184,800	267,200	452,000
Ladysmith Evening Alternative School	38,100	20,000	58,100
Lancaster Academy	19,600	27,300	46,900
Affiliated Alternatives	234,800	966,200	1,201,000
Middleton Alternative Senior High	100,000	220,500	320,500
General Education Schools			
Paideia Charter School Academy	80,000	140,300	220,300
The Brompton School	32,600	292,000	324,600
School of Technology and Arts I	6,600	122,200	128,800
School of Technology and Arts II	1,300	100,600	101,900
James Wright Middle School	160,200	1,251,800	1,412,000
Highland Community School	183,200	346,900	530,100
Kickapoo River Institute	28,500	80,300	108,800
Teachers Educating, Advising, and Mentoring Students	33,800	145,300	179,100
Core Knowledge Charter School	160,300	707,400	867,700
New Century School	48,400	282,300	330,700
Total	$1,435,700	$5,924,100	$7,359,800

On average, at-risk charter schools spent $1,508 more per pupil than other charter schools.

We also compared per pupil expenditures between the two types of charter schools. As shown in Table 3, charter schools enrolling students at risk of failing or dropping out spent $1,508 more per pupil, on average, than those enrolling general education students. Personnel expenditures accounted for much of the difference: in 1997-98, per pupil personnel expenditures were $963 lower, on average, for general education charter schools.

Table 3

Average Per Pupil Expenditures, by Charter School Type
1997-98 School Year

Type of Charter School	Per Pupil Non-Personnel Expenditures	Per Pupil Personnel Expenditures	Total Per Pupil Expenditures
At-Risk Charter Schools	$1,324	$4,642	$5,966
General Education Charter Schools	779	3,679	4,458
All Charter Schools	975	4,025	5,000

Students at risk of failing or dropping out often require higher per pupil expenditures because they typically need more attention, which is provided in smaller classes, and additional or enhanced services, which can include tutoring, counseling, and intensive employment-readiness services. Although complete information indicating the number of full-time equivalent teachers employed at each general education charter school was not available, it appears that many of these schools had employed fewer teachers per student than charter schools serving students at risk of failing or dropping out.

Comparing charter school with district expenditures provides an indication of whether charter schools have, as some individuals believe, either required excessive resources or been under-funded compared to schools within their respective districts. It appears that the Legislature was originally concerned about the potential for the development of charter schools that could outspend fellow district schools and give their students an unfair advantage. As result, program statutes initially prohibited districts from providing charter schools with more per pupil funding than the district average, although this provision was deleted from statutes in 1995.

The expenditure information we obtained for some charter schools includes classroom instructional costs, as well as some additional costs not directly related to instruction. In contrast, school districts report district-wide direct classroom instructional costs, which include only expenditures related to instruction. Therefore, making comparisons between these two groups is difficult.

General education charter schools are funded comparably to other district schools.

Based on the best information available, it appears that charter schools providing a general education curriculum are funded at levels generally comparable to those of other district schools. Specifically, in 1997-98, average per pupil expenditures for the ten charter schools providing a general education curriculum were $4,458, compared to an average of $4,918 for direct classroom instruction in all schools in these districts. Although the $460 difference is approximately 10 percent less than the average amount of funds spent by charter schools, it is important to note that some administrative and overhead costs are not charged to the charter schools but are spent by the districts on behalf of these schools. Charter schools educating students at risk of failing or dropping out spent, on average, $5,966 per pupil, compared to an average of $4,912 for all schools in their districts. This $1,054 difference is not surprising, given the additional costs of educating students at risk of failing or dropping out.

Because districts keep little information on the cost of their own at-risk programs, we were unable to compare at-risk program costs directly with at-risk charter schools, although we were able to determine that in fiscal year (FY) 1996-97, MPS spent $5,906 per pupil enrolled in its partnership schools for at-risk students in seventh through twelfth grades. However, because of the limitations in the data for all charter schools, these estimates should be interpreted with caution.

Because some concerns had been raised about the funding of Verona's charter schools, and the Verona Area School District's cost accounting system permitted an analysis of total expenditures by each school within the district, including administrative and other expenses, we also reviewed this information. As shown in Table 4, reported school expenditures for the 1997-98 school year show that the Verona Area School District's two elementary charter schools—which both provided general education—spent fairly similar amounts per pupil compared to other district elementary schools, regardless of whether staff salaries were included or excluded. The middle school component of Core Knowledge Charter School had somewhat lower per pupil expenditures than the district's one non-charter middle school. However, there is only one other district school with which to compare it.

Table 4

Verona Area School District Per Pupil School Expenditures
1997-98 School Year

	Per Pupil School Expenditures, Including Salaries	Per Pupil School Expenditures, Excluding Salaries
Elementary Schools		
Country View	$4,507	$1,851
Stoner Prairie/Savanna Oaks	4,026	1,668
Sugar Creek	3,838	1,569
New Century School	4,639	1,799
Core Knowledge Charter School*	4,508	1,867
Middle Schools		
Verona Middle School	4,600	2,222
Core Knowledge Charter School*	3,875	1,997

* Core Knowledge Charter School has an elementary and middle school component.

Consistent Level of Funding

Despite numerous other factors that contribute to the success of charter schools, few schools are likely to continue operations without adequate and sustained funding amounts. In fact, one charter school recently closed when its school board declined to provide funding the school needed to continue operating. Should the number of charter schools grow substantially, additional funding concerns may arise.

A charter school closed in September 1998 because funding was inadequate.

In early September 1998, the Kickapoo River Institute became the first Wisconsin charter school to close. The school's closure was not related to poor academic performance or financial mismanagement. District officials indicated the school closed when the school board was unwilling to provide funding to rent classroom space for the 1998-99 school year after parents with children in other district schools expressed their belief that the district was providing the Institute with too much funding. If the Kickapoo River Institute had been more financially independent from the local school board, it may not have closed.

Wisconsin's charter school program differs from similar programs in other midwestern states in that statutes do not require school boards to provide a minimum amount of funding to their charter schools. As a result, charter schools compete with other district schools for funding, and funding may vary from one school year to the next.

Charter school funding levels in several other states are established by state law.

In contrast, Michigan and Minnesota charter schools receive state funding that is equivalent to the amount of their respective districts' per pupil state aid. In Ohio, districts provide charter schools with funding equivalent to their respective districts' per pupil aid plus an additional amount to recognize the added operational costs incurred by charter schools, which provide services not normally provided by other district schools. In Illinois, districts provide charter schools between 75 percent and 125 percent of their per pupil instructional spending, excluding special education costs; the exact amount received is negotiated between each charter school and its local school board. Providing a consistent source of state funding to charter schools may provide these schools with added financial independence from their districts, which may foster greater educational innovation. In addition, ensuring consistent and adequate funding may encourage the formation of charter schools when funding concerns would otherwise preclude their establishment.

Ohio charter schools receive aid directly from the state board of education, and Michigan provides aid to the sponsoring entity, including state universities and community colleges, which are allowed to establish charter schools. Although providing aid directly to charter schools, rather than to their districts, increases the schools' financial independence, it should be noted that there may also be added risks. For example, at least one charter school in Michigan closed because of financial mismanagement. If funding had been provided by the school district, the close financial relationship between the charter school and its district may have prevented mismanagement.

Given the potential benefits of guaranteeing a minimum funding level to charter schools, the Legislature may wish to consider amending statutes to require chartering entities in Wisconsin to provide a specified level of funding. The easiest, and perhaps most equitable, approach may be to provide charter schools with the average annual per pupil cost to educate students within their districts. However, if the Legislature chooses to take this approach, it may wish to establish different funding criteria for at-risk schools, given that these schools typically require a higher level of funding to accomplish their educational objectives. Such an approach would allow districts to maintain a close financial relationship with their charter schools while providing those interested in establishing these schools with assurance that funding provided by districts, or other chartering entities, would be adequate to operate the schools effectively.

Charter School Admissions

Many charter schools' admissions policies do not comply with federal requirements.

Concerns have also been raised about whether charter schools discriminate in admitting students. State statutes require charter contracts to indicate how a charter school's operators intend to ensure admissions will reflect the racial and ethnic balance of the district, and federal regulations that apply to charter schools receiving federal funding require a random admissions lottery if a charter school has more applicants than there are spaces available. However, we found that many charter schools' admissions policies do not comply with federal regulations, and almost all charter contracts provide limited information about their plans to achieve an appropriate racial balance.

The racial enrollments of some charter schools differed significantly from their districts'.

As shown in Table 5, a number of the charter schools did not closely reflect the racial or ethnic balance of their districts in 1997-98. In two at-risk schools—Deerfield Charter High School and Affiliated Alternatives—the proportion of minority students was significantly greater than the proportion of minority students in their districts. However, it should be noted that in schools with low enrollments, one or two students can greatly affect demographics. Deerfield Charter High School enrolled only 13 students, so 1 student represented 7.7 percent of its total enrollment. In addition, because there is a high correlation between being at-risk, being economically disadvantaged, and being a member of a minority group, charter schools serving at-risk students tend to have disproportionately high numbers of minority students.

One general education charter school—James Wright Middle School, in the Madison Metropolitan School District—also had a significantly higher proportion of minority students than the proportion of minority students in its district. In contrast, the proportion of minority students at six general education charter schools was more than five percentage points lower than the proportion of minority students in those districts.

Many charter contracts do not contain statutorily required admissions policies.

Disparities in minority enrollments between charter schools and their districts may occur because contracts for 14 of the 18 charter schools state that the schools will not discriminate against students on the basis of race but do not describe the steps that will be taken to attempt to enroll minority students. The remaining contracts include little substantive information about how the schools plan to accomplish the legislative directive to achieve a racial and ethnic balance similar to their districts' overall balance.

In addition, seven of the ten general education charter schools had first-come, first-served admissions policies. Typically, these schools designated a date on which applications would begin to be accepted and then accepted the first students who applied until all vacant spaces in the school were filled. Students enrolled at the schools the prior year were allowed to continue attending without reapplying for admission.

Table 5

Percentage of Minority Students in Charter Schools and their Respective Districts
1997-98 School Year

	District	Total Enrollment	Percentage of Minority Students	Percentage of Minority Students in the District*	Percentage Point Difference
At-Risk Schools					
Appleton Central Alternative High	Appleton	87	10.3%	10.0%	0.3
Beaver Dam Charter School	Beaver Dam	139	2.9	5.0	(2.1)
Deerfield Charter High School	Deerfield	13	23.1	6.6	16.5
McKinley Charter School	Eau Claire	43	7.0	9.1	(2.1)
Ladysmith Evening Alternative School	Ladysmith	13	7.7	2.8	4.9
Lancaster Academy	Lancaster	5	0.0	0.5	(0.5)
Affiliated Alternatives	Madison	163	41.9	27.5	14.4
Middleton Alternative Senior High	Middleton-Cross Plains	66	7.6	7.6	0.0
General Education Schools					
Paideia Academy	Kenosha	46	23.9	22.0	1.9
The Brompton School	Kenosha	89	9.0	24.0	(15.0)
School of Technology and Arts I	La Crosse	68	1.5	22.6	(21.1)
School of Technology and Arts II	La Crosse	41	7.3	18.3	(11.0)
James Wright Middle School	Madison	197	70.6	30.8	39.8
Highland Community School	Milwaukee	73	83.6	80.7	2.9
Kickapoo River Institute	North Crawford	23	0.0	1.5**	(1.5)
Teachers Educating, Advising, and Mentoring Students	Stevens Point	95	3.2	8.4	(5.2)
Core Knowledge Charter School	Verona	236	2.1	11.7	(9.6)
New Century School	Verona	75	6.7	12.0	(5.3)

* Includes only those grade levels comparable to charter school students.
** Includes the Kickapoo Area, North Crawford, Viroqua Area, and Westby Area school districts, all of whose students were eligible to attend the charter school.

Some individuals are concerned that the admissions practices of Core Knowledge Charter School, which began operation in Verona in the 1996-97 school year, were designed to minimize the number of minority students attending the school. Although its operators began to advertise the school in mid-1995 by sending information home with district students and conducting informational meetings in the community, some individuals believe minority families were not adequately informed about

the school. In February 1996, school administrators began accepting applications on a first-come, first-served basis; all spaces were filled quickly, mainly by non-minority students.

Although more minority students subsequently applied to Core Knowledge Charter School, few were admitted because enrolled students may return to the school automatically in following years, and relatively few seats opened. In an attempt to address the concerns raised, the Verona Area School District recently took control of Core Knowledge Charter School's admissions process. Beginning with the 1999-2000 registration period, the school board will give priority to admitting students with special education needs and students from low-income families. However, the school's racial demographics are unlikely to change significantly in the near future unless the board expands the school's enrollment, because no existing students will be compelled to leave.

Other midwestern states require random admissions lotteries.

Some individuals believe that conducting a random admissions lottery when more students apply than there are spaces available in a given grade level may be more likely to lead to a school with an enrollment that reflects its district's racial and ethnic enrollment. As noted, regulations for schools receiving federal charter school grant program funds require a random admissions policy. In addition, the four other midwestern states with charter schools—Illinois, Michigan, Minnesota, and Ohio—all require their charter schools to conduct random admissions lotteries for new and open spaces.

Even if the district or school acted in good faith and the effect was unintended, a charter school that maintains a random admissions policy could end up with a student racial balance that differs substantially from that of the district. Although a consensus does not exist about which specific special efforts may effectively inform low-income families about charter schools, some individuals suggest that charter school staff advertise their school in publications that specifically appeal to minorities and conduct informational meetings in low-income neighborhoods. Families should also be given adequate time to carefully consider the educational options available to their children.

None of the eight schools serving students at risk of failing or dropping out admitted students on either a lottery or a first-come, first-served basis. Seven of these schools required a referral from a teacher, counselor, or parent; at the eighth, students applied directly. Staff at all eight interviewed students before admitting them to determine their motivation and the likelihood that their particular educational needs could be served. In many instances, the enrolled students had histories of truancy, substance abuse, or criminal activities. For this reason, a referral and interview process may be more appropriate for schools that enroll these types of students, providing that the schools do not discriminate against students on the basis of race or other protected category. However, a random admissions process is needed at general education charter schools

to ensure fairness for all students. Therefore, for charter schools enrolling students other than those at risk of failing or dropping out, *we recommend the Legislature clarify its direction by requiring charter schools to conduct random admissions lotteries for each grade level from the pool of applications received, if more students apply than there are vacant spaces*.

Measuring Charter School Performance

Questions have been raised about the performance of charter schools.

In the five years that have passed since the creation of the charter school program, individuals have questioned whether sufficient information is available to evaluate the performance of charter schools. We found that basic student performance information, such as standardized test scores and attendance and suspension rates, was often unavailable for charter school students. In addition, despite the statutory requirement that annual audits of charter schools' financial and programmatic operations be conducted, it appears that school boards have typically not put in place mechanisms that would allow for effective oversight of the schools.

Measuring Academic Achievement

As noted, charter schools were created for a number of reasons, but to date, most of those in Wisconsin appear to have been established to provide different types of educational opportunities, rather than specifically to address low student performance. Moreover, eight were created specifically to meet the special needs of pupils who may have difficulty graduating. Consequently, comparing the performance of pupils in these schools to that of pupils in all other schools in a district may not provide meaningful information about educational progress. Nevertheless, an examination of test scores could provide an indication of whether charter schools are more effective than other district schools in assisting students to succeed academically. In many instances, however, test results were unavailable for charter school students, making it difficult to draw any conclusions.

As noted, statutes require charter schools to administer the statewide Knowledge and Concepts Examinations to fourth-, eighth-, and tenth-grade students, and the Reading Comprehension Test to third-grade students. These examinations do not measure individual students' achievements from year to year, but they do allow a comparison of charter school students with other district students in a given year, provided that a sufficient number of students complete the tests and that the results of charter school students are reported separately from the results of other students.

On average, charter school students scored higher on statewide tests than other district students did.

Table 6, which compares national percentile rankings of students in schools for which adequate data were available, shows that students at general education charter schools generally scored higher than their district counterparts on the reading and mathematics components of the fourth- and eighth-grade Knowledge and Concepts Examinations during 1997-98. The only exception was James Wright Middle School, whose students scored lower than other eighth-grade students in the Madison Metropolitan School District. Because these data are for only a one-year period and represent a limited number of students, any comparisons should be considered with caution and with the understanding that they do not provide a complete picture of any school's program or the students enrolled. Additional information on student test results for each school is provided in Appendix I.

Test results are often unavailable for charter school students.

Test data are unavailable for a number of charter schools, in most instances because their students took the tests in traditional district high schools, and scores were combined with other students' scores when the data were reported. Five of the nine charter schools with tenth-grade students and one school with eighth-grade students did not report separate test data for their students. To maintain the confidentiality of an individual student's performance, we did not include test data when five or fewer students completed the test at a given school. This included two schools whose students took the eighth-grade test and two schools whose students took the tenth-grade test. In addition, Lancaster Academy was not open when the tests were administered in 1997-98.

Relying on the Knowledge and Concepts Examinations to measure student progress presents several problems. First, as noted, there may be limited value in comparing test scores of students at risk of failing or dropping out with other district students, who would be more likely to earn higher scores.

Second, the Knowledge and Concepts Examinations are administered in October, shortly after the school year begins. Thus, they most accurately represent students' achievements at the schools they previously attended. This problem in measuring academic performance is especially applicable to students in three charter schools—Paideia Academy, The Brompton School, and the School of Technology and Arts II—that all began operation one month before the tests were administered.

Table 6

Comparison of Test Scores*
1997-98 School Year

	School District	Charter School Percentile Rank	District Percentile Rank	Percentile Rank Difference
4th Grade Reading Test				
The Brompton School	Kenosha	73	71	2
School of Technology and Arts I	La Crosse	91	64	27
Core Knowledge Charter School	Verona	80	74	6
New Century School	Verona	79	74	5
4th Grade Mathematics Test				
The Brompton School	Kenosha	75	68	7
School of Technology and Arts I	La Crosse	94	67	27
Core Knowledge Charter School	Verona	77	75	2
New Century School	Verona	87	75	12
8th Grade Reading Test				
Paideia Academy	Kenosha	67	60	7
School of Technology and Arts II	La Crosse	65	64	1
James Wright Middle School	Madison	55	69	(14)
Core Knowledge Charter School	Verona	77	75	2
8th Grade Mathematics Test				
Paideia Academy	Kenosha	56	55	1
School of Technology and Arts II	La Crosse	75	69	6
James Wright Middle School	Madison	55	73	(18)
Core Knowledge Charter School	Verona	83	83	0

* The higher the percentile rank, which ranges from 0 to 100, the better a school's students scored on the examination.

Third, most students take only one Knowledge and Concepts Examination while attending a charter school. Charter school staff are unable, therefore, to measure student progress from one year to the next using these tests. However, staff at three charter schools do administer tests designed to measure individual students' achievement from one year to the next. For example:

- every semester, Affiliated Alternatives administers the Test of Adult Basic Education, which is not as lengthy as the statewide examinations, to each student;
- the Kickapoo River Institute administered the Iowa Test of Basic Skills to all students at the beginning and end of the school year; and
- the Core Knowledge Charter School administers the Stanford-9 test at the beginning of the school year to all new students and at the end of the school year to all students.

Administering annual tests to students may be an effective means of measuring performance.

Analyzing comparable, annual test results for each charter school student would be a more effective way to determine how students are progressing academically. Therefore, school boards may want to consider requiring their charter schools to administer annual tests to all students. Such an approach would also allow teachers to identify students needing additional instruction and, if necessary, modify the contents of their courses.

Attendance, Suspension, Expulsion, and Dropout Rates

Comparing the attendance, suspension, expulsion, and dropout rates of charter school students with those of comparable students may also provide an indication of charter schools' effectiveness. However, as with test results, these data are sometimes not available, or they are calculated in a way that prevents clear comparisons. In addition, they reflect, to a certain extent, individual charter schools' policies. For example, some charter schools may suspend or expel students less often than do other schools. Staff at several charter schools also indicated they calculate attendance differently than do other district schools. For example, at some schools, students who have a valid excuse or later make up the time may not be considered absent.

Attendance at most general education charter schools was similar to attendance at other district schools.

As shown in Table 7, the 1997-98 attendance rates of most general education charter schools were comparable to their districts' rates. However, three schools that enrolled students at risk of failing or dropping out were unable to provide attendance rates, and the other five at-risk schools had attendance rates lower than their districts' rates.

Table 7

Comparison of School Attendance
1997-98 School Year

Charter School	District	Charter School Attendance Rate	District Attendance Rate	Percentage Point Difference
At-Risk Schools				
Appleton Central Alternative School	Appleton	74.4%	94.3%	(19.9)
Beaver Dam Charter School	Beaver Dam	NA	95.7	—
Deerfield Charter High School	Deerfield	NA	94.8	—
McKinley Charter School	Eau Claire	85.0	94.7	(9.7)
Ladysmith Evening Alternative School	Ladysmith-Hawkins	NA	94.3	—
Lancaster Academy	Lancaster	93.5	96.1	(2.6)
Affiliated Alternatives	Madison	92.3	95.9	(3.6)
Middleton Alternative Senior High	Middleton-Cross Plains	90.4	96.4	(6.0)
General Education Schools				
Paideia Academy	Kenosha	92.6	93.2	(0.6)
The Brompton School	Kenosha	96.9	93.2	3.7
School of Technology and Arts I	La Crosse	96.7	95.2	1.5
School of Technology and Arts II	La Crosse	91.2	95.2	(4.0)
James Wright Middle School	Madison	96.5	95.9	0.6
Highland Community School	Milwaukee	NA	NA	—
Kickapoo River Institute	North Crawford	95.2	94.2	1.0
Teachers Educating, Advising, and Mentoring Students	Stevens Point	95.9	96.1	(0.2)
Core Knowledge Charter School	Verona	97.3	96.3	1.0
New Century School	Verona	96.7	96.3	0.4

Suspension rates at charter schools were similar to rates at other district schools.

As shown in Table 8, charter schools seldom suspended students; seven schools did not suspend any students during 1997-98. In addition, most charter schools did not suspend students at rates significantly different from those of their districts. As was the case with the attendance data, staff at some charter schools were unable to provide information on suspension rates.

Table 8

Students Suspended from Charter Schools and Their Districts
1997-98 School Year

	District	Charter School Suspension Rate	District Suspension Rate
At-Risk Schools			
Appleton Central Alternative School	Appleton	0.0%	0.1%
Beaver Dam Charter School	Beaver Dam	0.0	0.1
Deerfield Charter High School	Deerfield	NA	0.1
McKinley Charter School	Eau Claire	NA	0.1
Ladysmith Evening Alternative School	Ladysmith-Hawkins	0.0	0.1
Lancaster Academy	Lancaster	0.0	<0.1
Affiliated Alternatives	Madison	0.1	0.2
Middleton Alternative Senior High	Middleton-Cross Plains	0.7	0.1
General Education Schools			
Paideia Academy	Kenosha	0.1	0.3
The Brompton School	Kenosha	<0.1	0.3
School of Technology and Arts I	La Crosse	<0.1	0.1
School of Technology and Arts II	La Crosse	0.1	0.1
James Wright Middle School	Madison	0.5	0.2
Highland Community School	Milwaukee	NA	NA
Kickapoo River Institute	North Crawford	0.0	0.2
Teachers Educating, Advising, and Mentoring Students	Stevens Point	<0.1	0.1
Core Knowledge Charter School	Verona	0.0	0.1
New Century School	Verona	0.0	0.1

In addition, only three charter schools expelled students during the 1997-98 school year. Appleton Central Alternative School, Affiliated Alternatives, and the School of Technology and Arts II each expelled one student. Staff at Highland Community School were unable to provide expulsion information. Students dropped out of five charter schools, all of which enrolled students at risk of failing or dropping out. Seventeen students dropped out of Affiliated Alternatives, 20 dropped out of Appleton Central Alternative High, and 1 each dropped out of Deerfield Charter High School, Lancaster Academy, and McKinley Charter School. Only two general education charter schools served high school students, and no students dropped out of either of these schools. Beaver Dam Charter School and Ladysmith Evening Alternative School were unable to provide information on student dropouts.

Oversight of Charter Schools

School boards are responsible for ensuring the charter schools they establish adhere to the provisions of their contracts and provide students with a quality education. Such monitoring is especially important because charter schools are exempt from most state education regulations, and because their effectiveness is still largely unknown. Statutes allow a school board to revoke a contract for a number of reasons, including when a charter school violates the contract or its students fail to make sufficient progress toward attaining educational goals. However, because most school boards have provided only minimal oversight of their charter schools, we suggest they take a more active role in the future.

Most school boards have provided limited oversight of their charter schools.

Seven of the 14 districts with charter schools have not created specific, written procedures for overseeing their charter schools. Further, staff at 16 charter schools indicated they are uncertain which criteria their school boards will use to evaluate their performance and determine whether to renew their charter contracts. Only five contracts—those for Appleton Central Alternative School, Deerfield Charter High School, Kickapoo River Institute, Ladysmith Evening Alternative School, and McKinley Charter School—require annual reports to be submitted to school boards concerning the schools' progress and accomplishments. In addition, only one contract—for McKinley Charter School—contains specific performance measures the school must meet. This contract also states that the contract may be revoked by the school board if the school fails to meet certain specified measures. For example, the contract requires that, by the end of a school year, 60 percent of McKinley Charter School students must:

- improve their rate of attendance by 25 percent, compared to the prior year;
- demonstrate increased competency in English and mathematics;
- have fewer suspensions, compared to the prior year; and
- indicate an overall satisfaction with the education provided by the school, and the same proportion of parents must agree with that assessment.

Almost all charter schools in operation during the 1997-98 school year were closely affiliated with their districts, and charter school staff often had contact with senior district administrators, who were in a position to intervene if performance diminished. In spite of these close relationships, charter schools are unlikely to perform as intended if their staff are unaware of the explicit measures by which they will be judged.

This may especially be the case in the future, as entities such as the City of Milwaukee operate charter schools, or if school districts establish charter schools that operate more independently of their districts.

Other midwestern states require formal oversight of charter schools. For example, charter contracts in Ohio must include specific quantitative achievement goals and the performance standards by which schools will be evaluated, and Illinois plans to require measurable goals in its contracts starting in January 1999. In contrast, although Michigan's charter school law requires contracts to contain academic achievement goals, contract goals are often not specific or quantifiable. Representatives of Minnesota charter schools that receive a state planning grant must attend a state Department of Education–sponsored conference on how to create an effective accountability plan.

Requiring charter schools to measure their performance could be beneficial.

Wisconsin school boards or other entities that establish charter schools may want to consider including specific performance measures within their charter school contracts, such as the Eau Claire Area School Board included in its contract with McKinley Charter School. Specific contract provisions would provide the establishing entity with clear justification for revoking the contracts of charter schools that are not providing students with a quality education.

Enhancing Charter School Operations

A number of practices may benefit entities operating charter schools.

Based on our analysis of charter school operations in Wisconsin through the 1997-98 school year, as well as our review of available data on charter schools nationally, we have identified practices that are likely to be beneficial if implemented by school districts and other entities that operate charter schools. While some of these practices should already be in place because they are required under state law, other practices, while not required, are likely to be helpful in operating charter schools. Implementation of these practices is likely to be even more important in the future as charter schools that operate more independently of their districts are established.

First, as required by statutes, school boards and other entities operating charter schools need to specify in their charter contracts the amount to be paid to the charter school during each year of the contract. Determining annual funding amounts will assist charter school operators in planning their educational programs more effectively and will provide district officials and school board members with basic funding information needed to make informed decisions.

Second, school districts may be advised to implement cost accounting systems capable of tracking expenditures related to charter schools—including central administrative services and other overhead expenses—

rather than to combine expenditure information for schools within a district. This will allow board members, district and charter school officials, and interested community members to know whether charter schools are funded equitably when compared to other district schools, and to make adjustments when necessary.

Third, as required by statutes, school boards need to ensure that charter contracts include specific plans that detail how charter schools will work toward enrolling a student body that reflects a racial and ethnic balance comparable to that of the district. Although charter contracts typically indicated that this was one goal of the program, few provided any meaningful description of how this would be accomplished. An effective plan should include:

- a process for ensuring that all families in the district are provided with adequate information on the availability of charter school enrollment and how students can be enrolled, with adequate time to consider and act on such information;

- a way of measuring whether efforts to inform families of charter school availability have been successful; and

- a strategy for addressing any racial or ethnic imbalance that may occur.

Fourth, school boards and other operating entities could do more to ensure that adequate efforts are made to assess the progress of students attending charter schools, perhaps by requiring the annual administration of tests to demonstrate improvements in specific competencies, such as in English and mathematics. However, it may be most beneficial to compare the performance of charter school students, over time, with the performance of a comparable group of students attending other district schools. Accordingly, school boards may want to ensure that charter school students' statewide standardized test results are reported separately from other district students' test results. In addition, calculating attendance and suspension rates for charter school students and comparing them with the rates for other district students may be appropriate ways of monitoring progress.

Fifth, schools boards need to include specific measures in their charter contracts by which charter school performance will be measured. Useful measures may include the extent to which:

- attendance rates are equal to or greater than those of comparable students in other district schools;

- suspension and dropout rates are equal to or lower than those of comparable students in other district schools; and

- students and parents are satisfied with the educational program provided by the charter school.

In addition, the contract could specify goals that charter schools will be expected to achieve with respect to these types of measures, which would provide school boards with a means of evaluating the progress of the charter schools they establish.

Sixth, as required by statutes, school boards need to ensure that annual audits of charter schools' financial and programmatic operations are performed. These audits will provide assurances to the school boards and other interested individuals that charter schools are spending funds appropriately, and they may identify areas of the schools' operations that could be improved. Although annual financial audits were performed on all charter schools, most school boards made little effort to evaluate their charter schools' programmatic operations.

Seventh, school boards may want to consider providing immunity from civil liability to charter school staff who: 1) report incidents to the Department of Public Instruction involving a district employe who is charged or convicted of a crime against children or other misconduct; 2) maintain privileged information regarding students participating in alcohol or other drug abuse programs; 3) refer a student to law enforcement officials or remove a student from participation in school activities because of suspicion of alcohol or illegal drug use; and 4) attempt to prevent a student from committing suicide. These immunities, which are currently statutorily provided to staff in other Wisconsin public schools and to charter school staff in other midwestern states, may provide schools with some protection from lawsuits generated as a result of staff carrying out their responsibilities. However, some individuals believe that including these immunities only in charter contracts, as opposed to in statutes, may not protect charter schools from lawsuits.

Finally, the charter between a school board and a charter school's operators is a formal contract that obligates both parties to honor its contents. As such, school boards and other operating entities need to ensure that all provisions required by statutes are included and followed by the schools they establish. We found contracts that only superficially addressed statutory provisions or ignored some altogether. For example:

- one contract did not explain the methods the charter school will use to enable pupils to attain basic academic skills and knowledge, including the ability to read, write, spell, and perform arithmetic;

- one contract stated only that the school will be managed in a participatory manner, but did not describe how the school's operators planned to involve parents in the school's governance; and

- one contract did not describe how the school planned to provide administrative services.

Some charter contracts inadequately addressed statutory provisions.

In addition, charter school staff sometimes stated that the contracts no longer accurately reflected their schools' operations. Although it may be expected, as well as desired, that charter school staff will refine their educational approaches and administrative policies over time, it is important that school boards and other operating entities understand and support these changes. Accordingly, charter contracts need to be modified whenever these changes occur.

****

The future of charter schools is uncertain because of several unresolved issues.

A number of concerns that affect the future of the charter school program have yet to be resolved. First, disagreements involving the Department of Public Instruction, the City of Milwaukee, the Milwaukee teachers' union, and MPS raise questions about charter schools' responsibility for providing special education services and whether the charter school law was created within the requirements of the Wisconsin Constitution. Second, we identified several concerns related to charter schools' exemption from certain regulations. If they are not addressed, some individuals believe these exemptions could potentially endanger the safety of students and limit the ability of parents, educators, and the Legislature to evaluate student performance. Third, statutes may unintentionally require private schools in Milwaukee to dismiss certain students before the schools may participate in the program. Finally, although charter schools have provided educational alternatives for some students, if enrollment remains small it is unlikely that charter schools will influence the actions of district schools to any significant extent. There are, however, several options the Legislature could consider to facilitate the establishment of charter schools and promote greater competition among schools for students, which some individuals believe is one of the program's goals.

Special Education Services

Responsibility for providing special education has been disputed in Milwaukee.

In August 1998, the City of Milwaukee signed contracts that made it the first municipality in the nation to establish charter schools. Although exempt from state education regulations, charter schools must follow applicable federal laws. The federal Individuals with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 require all students with disabilities to be provided with free and appropriate educational services that are based on their specific individual needs. Private schools are not always required to admit disabled students if the schools would need to make more than minor adjustments to their programs to accommodate the students. In contrast, public schools cannot deny admission to any student regardless of the severity of his or her disability. Department and city officials disagree about whether the city or MPS is required to provide special education services to students enrolled in the city's charter schools.

Schools can provide some services to students with disabilities at relatively little additional cost in regular classroom settings. However, providing educational services to severely disabled students can require greater expenditures. Federal funds are available to help pay for special

education services: in FY 1997-98, the Department received $80.4 million in federal funds to assist districts in paying the cost of these services. However, if special education services are not provided to all eligible students, the federal government may withhold a portion or all of the State's funding for students with disabilities.

Statutes do not define whether charter schools are public or private.

Some individuals have suggested that because charter schools are exempt from most state education regulations, and because Wisconsin statutes do not define them as either public or private schools, charter schools are not responsible for providing appropriate educational services to students with disabilities. However, statutes in the four other midwestern states with similar programs define charter schools as public schools, as does the federal charter school grant program. Most knowledgeable observers, including administrators of the Wisconsin charter schools operating during the 1997-98 school year, also consider charter schools to be public schools. They note that the charter schools share the same funding, staffing, and school policies as other district schools.

City officials believe that the local educational agency is responsible for providing special education services to students at the three new Milwaukee charter schools, but they disagree with officials of the Department over whether the city or MPS is the local educational agency. Federal law defines the local educational agency as:

- a public school board;
- a public authority that performs services for public schools; or
- any public institution or agency that has administrative control and direction of a public school.

Department officials believe that charter schools are public schools and, therefore, must follow federal laws that require public entities to ensure students are provided with special education services. In meeting this requirement, the Department believes that the obligation would fall to either the city or the schools themselves. Simply put, the Department contends that federal law requires schools chartered by the city to provide free and appropriate educational services to students with disabilities.

In contrast, City of Milwaukee officials argue that MPS is the local educational agency. They assert that although the city chartered the three new schools, it neither exercises administrative control nor provides the schools with any services. More important, however, they believe that the Legislature did not intend the city to be the local educational agency, noting that after the Legislature allowed Milwaukee to establish charter schools, it also modified the statutory definition of a local educational

agency. The modified statute, s. 115.76(10), Wis. Stats., which does not mention charter schools, defines a local educational agency as:

- the school district in which a child with a disability resides;
- the Department of Health and Family Services, if a child with a disability resides in a department-operated facility; or
- the Department of Corrections, if a child with a disability resides in a secured correctional facility.

City officials believe MPS should provide services to those with severe disabilities.

City of Milwaukee officials state that their charter schools will accept all students with disabilities and will provide basic special education services. However, they contend that because charter schools do not have the necessary resources, MPS should be responsible for providing services to severely disabled students. In addition, they point out that MPS currently sends severely disabled students to one of several designated district schools that are better equipped to address their specific needs.

Department officials do not believe the City's argument has merit for two reasons. First, they maintain it relies on a definition of the local educational agency made inapplicable by charter schools' exemption from most state education laws. Second, they maintain that city officials are applying the wrong federal law in determining who should be responsible for providing special education services.

A number of charter schools open during 1997-98 accepted special education students in a manner similar to that proposed by the City of Milwaukee. Although staff at all 18 charter schools stated they would accept and serve disabled students, staff at 8 schools indicated they counsel parents not to enroll severely disabled students in the charter schools because the schools do not have the teachers or specialized equipment to provide an appropriate education to severely disabled students. Department officials indicate they were unaware of this practice and are concerned because they believe it is a violation of state and federal law.

The Department has not provided full charter school funding to three Milwaukee schools.

The Department and the City of Milwaukee have been unable to agree how special education services should be provided to charter school students. In September 1998, the Department partially suspended payments to the city's charter schools because officials were concerned about the potential for the federal government to withhold all of Wisconsin's $80.4 million in special education funding. City-established charter schools would normally receive $6,052 per student for the 1998-99 school year. However, the Department does not recognize these

schools as charter schools. Rather than receive no funding, officials of the Department indicate that the three schools requested to be paid amounts similar to those provided under the Milwaukee Parental Choice Program. The Department agreed and, in September 1998, began to issue payment of $4,895 per pupil for those from low-income families who would be eligible to participate in the Milwaukee Parental Choice Program. This is $1,157 less per pupil than the schools would have received otherwise.

Department officials indicate that if the dispute with the City is resolved before the end of December 1998, payments will be made for the full charter school amount, retroactive to the beginning of the school year. However, if a resolution is not achieved, the three City of Milwaukee charter schools may see their 1998-99 state aid reduced by approximately $685,100 compared to what they would have received under full charter school reimbursement.

Bruce Guadalupe School had been approved by the City of Milwaukee for charter status, but it decided in August 1998 not to participate in the charter school program because of the Department's decision to provide only partial funding, and because legal responsibility for the provision of special education services is still unresolved. Bruce Guadalupe, with an enrollment of approximately 520 students, would have been the largest of the city's charter schools.

At the request of both the Department and the city, the federal Department of Education reviewed the dispute and recommended in October 1998 that both parties find a resolution that will ensure all pupils receive special education services. Although the Department of Education did not specify responsibility for providing special education services, it noted that neither the city nor the Department could use their disagreement over the definition of a local educational agency to avoid federal obligations. The Department of Education also indicated that the State could lose federal funding if charter school students are not provided with special education services. Because the Department of Education did not specify whether the city or the Department is responsible for providing special education services, and because the Department has provided only partial funding, the Milwaukee common council voted in October 1998 to file suit against the Department seeking full funding for the city's charter schools.

Other Legal Challenges

Three lawsuits have been filed against the charter school program.

In addition to legal questions about the responsibility for providing special education services, three other legal challenges have been raised with respect to the charter school program. Two lawsuits concerning the constitutionality of the charter school law have been filed by the Milwaukee Teachers' Education Association. Two private citizens alleging potential racial discrimination have filed a third lawsuit.

Except in Milwaukee, staff at charter schools established to date are school district employes who receive the same pay and fringe benefits as other district employes. In addition, all instructional staff belong to a teachers' union. When 1995 Wisconsin Act 27, the 1995-97 biennial budget, expanded the charter school program, it allowed the conversion of private, nonsectarian schools in Milwaukee to charter schools and exempted the Milwaukee School Board from requiring charter school staff to be district employes. 1997 Wisconsin Act 27, the 1997-99 biennial budget, amended this provision by allowing the Milwaukee School Board to determine whether staff at MPS charter schools are district employes. In addition, Act 27 prohibits staff at private schools that have become charter schools, as well as staff at nonprofit charter schools established by the City of Milwaukee and all charter schools established by UW-Milwaukee and Milwaukee Area Technical College, from being MPS employes.

In August 1996, the Milwaukee School Board established Highland Community School, which had previously participated in the Milwaukee Parental Choice Program, as its first charter school. The school's staff did not become district employes. At the same time, the Board was negotiating with two other private schools interested in becoming MPS charter schools.

An injunction has prevented MPS from establishing some types of charter schools.

That month, the Milwaukee Teachers' Education Association filed suit in Milwaukee County Circuit Court alleging that the Milwaukee charter school provisions of 1995 Wisconsin Act 27 violated the Wisconsin Constitution's prohibition against bills that affect specific local interests being passed as a part of legislation with multiple purposes, such as the biennial budget. The Circuit Court found in favor of the teachers' union and issued an injunction that prevents the Milwaukee School Board from converting private schools to charter schools and establishing charter schools at which the staff are not district employes. In addition, the injunction stipulates that Highland Community School may not increase the size of its enrollment. As a result, charter school contract negotiations with two schools were ended. In July 1997, the school board appealed this decision to the Wisconsin Court of Appeals, which referred the case to the Wisconsin Supreme Court in November 1998 without ruling on it.

In July 1998, shortly before the City of Milwaukee planned to sign contracts with four private schools, the teachers' union filed a second lawsuit. This suit alleges that 1997 Wisconsin Act 27, the 1997-99 biennial budget, which further amended charter school provisions related to Milwaukee, violates Wisconsin's Constitution in the same manner as the previous state budget. Although the union initially sought an injunction to prohibit the four schools from opening as charter schools, it dropped the request after Bruce Guadalupe School withdrew its application for charter school status and anticipated enrollment in City of

Milwaukee charter schools dropped from approximately 800 students to fewer than 300 students. This case is expected to be decided by Dane County Circuit Court no sooner than February 1999.

The third lawsuit against the charter school program, filed in May 1998 by two private individuals living in Milwaukee, alleges that the city has no authority to operate charter schools, the Legislature violated the Constitution by including local provisions in the budget bill, and the charter school program creates a dual system of education that could be used to discriminate against some students. In June 1998, the suit was moved from Milwaukee County Circuit Court to United States District Court for the Eastern District of Wisconsin, which denied a request for an injunction to prohibit city-established charter schools. City of Milwaukee officials have indicated they may ask the court to dismiss the lawsuit.

Concerns Related to Specific Charter School Exemptions

Some individuals believe that charter schools' exemption from certain state public school regulations could produce negative, and in some cases harmful, consequences. We identified several areas of potential concern, including the exemption of charter school staff from criminal background investigations and the exemption of charter school students from some high school graduation requirements.

Criminal Background Investigations

The Department conducts criminal background investigations on public school staff.

The Department conducts criminal background investigations before issuing or renewing professional licenses to public school staff, including teachers and administrators. It submits an applicant's name to the Department of Justice, which determines whether the individual has been arrested in Wisconsin since July 1971. These investigations help to identify unscrupulous individuals who may threaten the health or safety of students or the financial well-being of schools.

If the background investigation raises concerns about an individual, such as a record of prior arrest, or if the individual previously resided in another state, the Department may require the person to submit a set of fingerprints to the Federal Bureau of Investigation, which attempts to verify the individual's identity and ascertain whether he or she has a national arrest and conviction record. If the investigation indicates the individual may not be suited for employment in a public school, the Department may decline to issue or renew a professional license.

Background checks of charter school staff are currently not required.

As part of their broad exemption from state education regulations, charter school professional staff, including administrators, are not required to undergo criminal background investigations. Although statutes are unclear whether charter school teachers must undergo criminal background investigations, officials at the Department believe the exemption may have been an oversight when the Legislature created the charter school program. Therefore, the Department has interpreted statutes to mean that it should conduct investigations of all charter school teachers.

The exemption has not been a concern until recently because, as noted, almost all charter school teachers and administrators have held public school licenses, which require criminal background investigations. As the charter school program expands, the charter school exemption from background investigations may become more problematic. The Department may not conduct criminal background investigations of professional staff of private schools that elect to participate in the charter school program or staff hired by any new charter schools that districts create. For example, the Department has not conducted background checks of the head administrators of two of the three new City of Milwaukee charter schools, which were formerly private schools participating in Milwaukee Parental Choice Program; an investigation of the third school's head administrator was conducted when she applied for a public school teaching license.

When the Legislature created the charter school program, it likely intended to provide students attending charter schools with the same level of protection from individuals who might harm them as it provides to public school students. Therefore, to help ensure the safety of charter school students and to formalize the Department's practices, *we recommend the Legislature require the Department of Public Instruction to conduct criminal background investigations of all charter school teachers and administrators in a manner similar to that currently used for licensed public school staff.*

Exemption from High School Graduation Examination Requirements

Beginning in the 2000-01 school year, public schools must administer the high school graduation examination required by 1997 Wisconsin Act 27 to all students. At that time, schools will no longer be required to administer the tenth-grade Knowledge and Concepts Examination. In effect, the graduation examination will replace the tenth-grade test.

Some charter school students are not required to take the graduation examination.

Statutes require charter schools to administer the tenth-grade Knowledge and Concepts Examination. However, when the Legislature amended statutes to replace the tenth-grade test with the graduation examination, it did not require charter schools established by school boards to administer the graduation examination. In contrast, when the Legislature subsequently expanded the charter school program to allow the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College to establish charter schools, it required these schools to administer the high school graduation examination.

Department officials believe that exempting school board–established charter schools from administering the graduation examination may have been an unintended legislative oversight. They point out that the Legislature requires charter schools to administer all other statewide tests. In addition, even though it appears that school board–established charter schools may be exempt from administrating the graduation examination, a number of charter school staff and district administrators indicated they are uncertain whether their charter schools should administer the test. Consequently, some charter school administrators have begun to modify their curricula in preparation for the graduation examination.

Requiring all charter schools to administer the graduation examination may be beneficial.

Although some believe the graduation examination would place an unneeded requirement on charter schools, others believe that results from the examination would provide additional information to assist parents, teachers, and the Legislature in judging charter schools' performance. Therefore, the Legislature may wish to consider modifying statutes to require all charter schools serving twelfth-grade students to administer the high school graduation examination.

Charging Tuition

As noted, program statutes prohibit charter schools from charging tuition to students. In addition, they allow only certain students to attend charter schools established by the City of Milwaukee, UW-Milwaukee, or Milwaukee Area Technical College, including those who in the prior school year:

- did not attend school;
- attended an MPS school;
- participated in the Milwaukee Parental Choice Program;
- attended kindergarten through third grade at a private school in Milwaukee but did not participate in the Milwaukee Parental Choice Program; and

- attended a charter school established by the City of Milwaukee, UW-Milwaukee, or Milwaukee Area Technical College.

Current law may unintentionally require some students to be dismissed from charter schools.

For Milwaukee charter schools that are converted from private schools, these requirements may have unintended consequences. For example, in the year prior to participating in the charter school program, a private school may have enrolled students who paid tuition because their families were ineligible to participate in the Choice Program. In the following year, if the City of Milwaukee or one of the other two sponsoring entities established the school as a charter school, statutes would require the school to: 1) dismiss all students who, in the prior school year, were in fourth through twelfth grades and who did not participate in the Choice Program, because these students would be ineligible to participate in the charter school program; or 2) allow these students to continue attending the school at no charge and receive no charter school funding for them.

These statutory provisions have not caused great concern until recently, because it was not until the start of the 1998-99 school year that three charter schools were established by the City of Milwaukee. Administrators at two of the schools reported that their schools currently do not charge tuition to any students; the third school charges tuition to some students. However, no school has yet been compelled to dismiss any students, because the Department does not consider these schools to be charter schools as a result of the dispute over the provision of special education services.

It is important to note, however, that the contracts between the City of Milwaukee and its three charter schools indicate that the schools may charge tuition for those students who would not be covered under the charter school program. This appears to be inconsistent with existing state law.

It seems unlikely that the Legislature intended private schools to dismiss tuition-paying students, and it is not financially feasible for schools to enroll students without charging tuition or receiving state aid for them. In addition, other private schools may decline to participate in the charter school program until this issue is resolved. Therefore, *we recommend the Legislature amend statutes to allow charter schools established by the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College to charge tuition to non-charter school students or to enroll students at all grade levels in the charter school program, even if the students did not participate in the Milwaukee Parental Choice Program the prior year.*

Effects on District Schools

Some individuals believe that in addition to educational choice and innovation, one of the potential advantages of the charter school program may be to provide competition with district schools. These individuals believe that if charter schools offer a high-quality education, significant numbers of students may transfer to these schools in districts where parents and teachers have been dissatisfied with the quality of education provided. Further, they assert that if state per pupil aid follows students to the schools in which they are educated, district schools will respond by improving their operations and enhancing their educational opportunities so that students are attracted to their programs.

It is difficult to evaluate the merits of this belief for two reasons. First, assessing the quality of education provided by charter schools is difficult. As noted, comprehensive information about charter school students' performance, such as statewide test scores, is generally unavailable. Second, regardless of whether charter schools provide a quality education, too few students have enrolled in these schools to provide other district schools with a significant level of competition.

The effect of charter schools on other district schools has thus far been limited.

Unlike charter schools that enroll students at risk of failing or dropping out, general education charter schools compete directly with other district schools for students and district resources. As shown in Table 9, general education charter schools accounted for only 0.6 percent of total student enrollment in districts with charter schools during 1997-98. Moreover, only one of these charter schools enrolled more than 2 percent of its district's students. With 311 students enrolled in charter schools, representing 8.0 percent of total district enrollment, the Verona Area School District had both the largest number and the greatest percentage of its students enrolled in general education charter schools.

As noted, 1997 Wisconsin Act 238, passed in June 1998, permits school boards throughout the state to convert existing nonsectarian private schools into charter schools, and it also permits school boards to establish charter schools that are not staffed by district employes. The extent to which school boards will use this additional flexibility to provide greater innovation or increased competition with existing district schools remains to be seen. However, the Legislature has provided school boards with an additional tool that may result in the creation of charter schools that have a greater effect on the existing educational system.

Table 9

General Education Charter School Enrollment as a Percentage of District Enrollment
1997-98 School Year

School District	Charter School Enrollment	District Enrollment	Percentage of District Enrollment
Kenosha	135	18,709	0.7%
La Crosse	109	7,915	1.4
Madison	197	25,370	0.8
Milwaukee	73	103,040	0.1
North Crawford	23	3,807*	0.6
Stevens Point	95	8,334	1.1
Verona	311	3,869	8.0
Total	943	171,044	0.6%

* Includes students from the Kickapoo Area, North Crawford, Viroqua Area, and Westby Area school districts, all of whose students were eligible to attend the charter school.

MPS loses state aid for every student enrolled in charter schools established by other entities.

Unlike other districts, whose state aid is unaffected by charter schools, MPS loses general education aid for every student enrolled in charter schools established by the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College. In the 1998-99 school year, statutes require the Department to pay the three new City of Milwaukee charter schools $6,052 for each enrolled student participating in the charter school program and reduce MPS's general equalization aid by a corresponding amount. MPS's aid is unaffected by any charter schools established by its school board.

The three city-established charter schools are unlikely to have a significant financial effect on MPS for two reasons. First, the three schools currently represent only 0.3 percent of MPS's total enrollment of approximately 105,000 students in September 1998. Second, out of a budget of approximately $776 million, we estimate that MPS was already paying approximately $906,600 for students in these schools who were enrolled in the Milwaukee Parental Choice Program. In 1998-99, the amount of additional funding that may be diverted from MPS to these three schools is approximately $685,100, assuming that the schools eventually receive the statutorily prescribed per pupil charter school funding amount.

However, unlike charter schools established by school boards, these city-established schools are not controlled by the district. As a result, they may implement educational approaches and introduce curricula and programs not offered in the district. Such opportunities may attract some district students to the city's charter schools. Unless the number of city-sponsored charter schools increases substantially, however, it appears unlikely that the effect of students being diverted from MPS will make a meaningful difference in district operations or educational choice in Milwaukee.

Some observers believe that charter schools may eventually compete with MPS for significant numbers of students and the corresponding general equalization aid that accompanies the students. Through October 1998, nine additional schools had applied with the City of Milwaukee to become charter schools. Officials at UW-Milwaukee have indicated they intend to establish their own charter schools in 1999-00; through October 1998, they had received seven applications for charter school status.

In addition, 27 nonsectarian private schools participating in the Milwaukee Parental Choice Program in 1998-99 would be eligible to increase their state funding from $4,895 per enrolled student to $6,052 per enrolled pupil if they apply for and are granted charter school status. Currently, it is difficult to determine how many schools may be interested in such an option and the likelihood of their acceptance into the program if they apply.

Charter schools could cost MPS more than $4.2 million in state aid.

In addition, unless statutes are modified, only those students who participated in the Choice Program in the prior school year or who did not participate in the Choice Program but attended kindergarten through third grade at a Milwaukee private school could participate in the charter school program. If all 27 schools became charter schools, we estimate that at least an additional $4.2 million would be diverted from MPS. We were unable to determine the full amount that would be diverted, because information indicating the number of eligible students at the schools was unavailable; however, the amount may be considerably higher than $4.2 million.

Possible Legislative Options

As noted, the Legislature recently amended program statutes to permit the establishment of charter schools that have greater independence from local school boards. To date, no school board outside of Milwaukee has chosen to convert a private school into a charter school; however, these school boards have had this option for only a few months. In addition, only a short time has passed since entities other than MPS have been allowed to establish charter schools in Milwaukee. Therefore, if the Legislature wishes to encourage further expansion of the charter school program, which may lead to increased competition with district schools, it

may wish to wait until the effects of the most recent changes to statutes become clear before making further modifications. If charter schools established under these new provisions prove to be successful, the Legislature could encourage expansion of the program in a manner that facilitates the creation of charter schools statewide. At least two strategies could be considered.

The Legislature could allow entities other than school boards to establish charter schools.

First, the Legislature could consider amending statutes to allow all 13 University of Wisconsin four-year campuses and the 16 technical colleges to establish charter schools directly, or to contract with other individuals or organizations to operate charter schools. If this approach is taken, as in Milwaukee, these schools would be independent of school districts, allowing their operators to implement educational programs and administrative policies without district approval. We did not, however, ascertain the extent to which campuses or technical college districts statewide would be interested in having such authority or would be likely to use such authority if it were granted.

Expanding the program by extending this option to public post-secondary institutions statewide could have a number of advantages. For example, state university campuses and technical colleges may employ faculty with the skill and expertise needed to establish successful charter schools. These institutions' faculty may have specialized knowledge that could augment the charter school program, and they may have studied educational approaches that are more likely to succeed in different settings. Finally, students enrolled in the education departments of University of Wisconsin campuses could help operate the charter schools by serving as teachers' aides and administrative assistants.

Three other midwestern states allow public universities and other post-secondary institutions to establish charter schools. For example, charter schools may be established by:

- state public universities and community colleges in Michigan;
- state universities, community colleges, technical colleges, and private colleges in Minnesota; and
- the University of Toledo in Ohio, a state university.

Minnesota allows private institutions to establish charter schools.

Minnesota is the only midwestern state that allows private institutions to establish charter schools. Minnesota currently has two charter schools in operation that were established by a private college. It should be noted, however, that even though Minnesota charter schools established by private colleges, community colleges, technical colleges, and state universities do not need the approval of local school boards, they must receive approval from the Minnesota State Board of Education before enrolling students.

Consequently, a second option the Legislature could consider is allowing the Department to establish charter schools statewide, or to contract with individuals to operate charter schools. Comparable entities in three other midwestern states have varying degrees of authority to establish charter schools. Specifically, Ohio's state board of education may establish charter schools under its own authority. In Illinois, the state board has the authority to order local school districts to establish charter schools in instances when a local school board rejects a petition from teachers or parents to establish a charter school. The Illinois state board used this authority in June 1998. Similarly, charter school petitioners may ask Minnesota's state board to establish a charter school if their local school board refuses their request, which recently occurred.

****

APPENDIX I

Charter School Program Information and Statewide Test Results

We obtained basic program information about each of the 18 charter schools open during the 1997-98 school year, as well as students' results on the Knowledge and Concepts Examinations and the third-grade Reading Comprehension Test. Results are unavailable for many schools, either because school district officials combined the scores of charter school and other district students or because scores are not reported for confidentiality reasons when too few students complete the tests.

The Knowledge and Concepts Examinations consist of five subject areas: reading, enhanced language, mathematics, science, and social studies. For each area, students' achievement is categorized as advanced, proficient, basic, or minimal. The Department of Public Instruction reports the proportion of students in each category, as well as the proportion of students who did not take the test. The third-grade Reading Comprehension Test uses a similar method of categorizing students' scores, although the test has only one part.

Information about the following charter schools is included alphabetically in this appendix:

Affiliated Alternatives

Appleton Central Alternative School

Beaver Dam Charter School

The Brompton School

Core Knowledge Charter School

Deerfield Charter High School

Highland Community School

James Wright Middle School

Kickapoo River Institute

Ladysmith Evening Alternative School

Lancaster Academy

McKinley Charter School

Middleton Alternative Senior High

New Century School

Paideia Academy

School of Technology and Arts I

School of Technology and Arts II

Teachers Educating, Advising, and Mentoring Students

Affiliated Alternatives

Type: At-risk charter school

District: Madison Metropolitan School District

Estimated Expenditures per Student in 1997-98: $7,368

Grades Served: 7th through 12th

September 1997 Enrollment:

Asian	5
African-American	50
Hispanic	8
Native American	2
White	90
Unknown	8
Total	163

Head Administrator: Principal, who is also the district's coordinator of alternative education

First Month as a Charter School: August 1995

Duration of Contract: 5 years

Program Description:

Affiliated Alternatives is an umbrella organization for six programs, including the Accelerated Learning Academy (grades 7-10), the Cluster program (grades 6-8), New Educational Opportunities and Networking (grades 6-12), and the Work and Learning Center (grades 11-12). In January 1998, the district added the School-Age Parent program, which serves teen parents, and the School-Within-a-School program (grades 11-12) to the programs offered by this charter school. The district converted these programs to charter status to take advantage of charter school licensing and permit options and to combine the programs administratively.

The curricula of the Accelerated Learning Academy, the Work and Learning Center, and the School-Age Parent program are based on the Accelerated Schools model, which uses a fast-paced, skills-based curriculum to accelerate the learning of students who have fallen behind academically. Affiliated Alternatives students earn diplomas from the district's traditional high schools.

Students are referred to the charter school by high school teachers and staff, parents, the court system and community agencies. Charter school teachers interview students to determine whether they will benefit from the school's programs.

Test scores for students in five of the school's six programs are unavailable because the district combines their test scores with other district students' scores; however, the district keeps the scores of Accelerated Learning Academy students separate from other students' scores.

8th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Accelerated Learning Academy*	Madison Metropolitan School District
Reading	Not Available	65%
Enhanced Language	Not Available	20
Mathematics	Not Available	40
Science	Not Available	59
Social Studies	Not Available	70

* Too few students completed the examination for their scores to be reported.

10th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Accelerated Learning Academy	Madison Metropolitan School District
Reading	41%	62%
Enhanced Language	12	37
Mathematics	0	45
Science	12	47
Social Studies	41	64

Appleton Central Alternative School

Type: At-risk charter school

District: Appleton Area School District

Estimated Expenditures per Student in 1997-98: $5,701

Grades Served: 9th through 12th

September 1997 Enrollment:

Asian	5
African-American	1
Hispanic	0
Native American	3
White	78
Total	87

Head Administrator: Principal, who is also the director of the district's at-risk programs

First Month as a Charter School: January 1997

Duration of Contract: 3 years

Program Description:

Appleton Central Alternative School was established as an alternative school in February 1996. The school, which was converted to charter status to take advantage of charter school licensing and permit options and the exemption from state education regulations, is located in a former district administration building.

Students attend school for three hours per day Monday through Friday. The school's courses are similar to traditional high school courses; students earn the same credits. Students may also earn credits for completing computer-instructed courses, working, or performing community service. Students earn diplomas from the district's traditional high schools, or they may choose to prepare for the High School Equivalency Diploma examination, offered by Fox Valley Technical College.

Staff at the district's three high schools refer students to the charter school, whose teachers interview the students to determine whether the charter school's programs will benefit them.

10th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject	Appleton Central Alternative School*	Appleton Area School District
Reading	Not Available	66%
Enhanced Language	Not Available	36
Mathematics	Not Available	47
Science	Not Available	48
Social Studies	Not Available	72

* Too few students completed the examination for their scores to be reported.

Beaver Dam Charter School

Type: At-risk charter school

District: Beaver Dam Unified School District

Estimated Expenditures per Student in 1997-98: $3,661

Grades Served: 6th through 12th

September 1997 Enrollment

Asian	0
African-American	1
Hispanic	3
Native American	0
White	135
Total	139

Head Administrator: None; teachers make day-to-day operational decisions

First Month as a Charter School: January 1995

Duration of Contract: 5 years

Program Description:

Beaver Dam Charter School was created after a study revealed that many district students were unsuccessful in traditional district schools. The school, which was established as a charter school to take advantage of charter school licensing and permit options and the exemption from state education regulations, is located in a newly renovated office building.

Students meet with a charter school teacher the week before school starts to decide whether they will pursue a charter school competency diploma, a Beaver Dam High School diploma, or a High School Equivalency Diploma.

Middle-school students typically attend school for 6 hours each day, while high school students typically attend school for 3.5 hours in the morning, afternoon, or evening. While at school, students take core courses or complete computer-instructed courses. Students who want to earn a charter school diploma must complete 60 hours of community service. Students who wish to earn one of the other two diplomas may earn credit for work and community service.

Students are referred to the school by teachers, staff, or parents. Charter school staff rank students based on the number of at-risk factors they exhibit. Prospective students are interviewed by staff, who admit those who will most benefit from the school's programs.

8th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Beaver Dam Charter School*	Beaver Dam Unified School District
Reading	Not Available	63%
Enhanced Language	Not Available	19
Mathematics	Not Available	34
Science	Not Available	60
Social Studies	Not Available	64

* Test scores are unavailable because they are combined with non-charter school students' scores.

10th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Beaver Dam Charter School*	Beaver Dam Unified School District
Reading	Not Available	67%
Enhanced Language	Not Available	32
Mathematics	Not Available	42
Science	Not Available	50
Social Studies	Not Available	70

* Test scores are unavailable because they are combined with non-charter school students' scores.

The Brompton School

Type: General education charter school

District: Kenosha Unified School District

Estimated Expenditures per Student in 1997-98: $3,647

Grades Served: Kindergarten through 6th

September 1997 Enrollment:

Asian	2
African-American	4
Hispanic	2
Native American	0
White	81
Total	89

Head Administrator: Director, who is the school's principal

First Month as a Charter School: August 1997

Duration of Contract: 3 years

Program Description:

The Brompton School was established by the administrators of a recently closed parochial school and two community members. The curriculum provides students with cultural literacy instruction and emphasizes basic skills. The school is located in the former parochial school building.

Starting in kindergarten, students receive Spanish instruction, and they study various cultures, fine arts, and literature. Oral recitation of prose and poetry is an integral part of the curriculum. Staff use the Direct Instruction method of teaching, which allows students to work closely with teachers in a small classroom setting to review and practice skills. Students are required to wear school uniforms.

Any district student may apply for admission to the school. School staff hold an admissions lottery, and if more students apply than there is space available, they randomly create a waiting list. Thereafter, parents may add their children's names to the waiting list on a first-come, first-served basis. Parents of enrolled students are required to sign a contract that stipulates they support the school's curriculum and attendance policy, which permits student absences only for illness.

3rd Grade Reading Comprehension Test
Percentage of Students Scoring in Each Proficiency Level
1997-98 School Year

Proficiency Level	The Brompton School	Kenosha Unified School District
Minimal	0.0%	6.3%
Basic	54.5	27.0
Proficient	36.4	42.8
Advanced	9.1	13.4
Not Tested	0.0	10.5

4th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	The Brompton School	Kenosha Unified School District
Reading	80%	75%
Enhanced Language	54	45
Mathematics	53	56
Science	80	67
Social Studies	47	65

Core Knowledge Charter School

Type: General education charter school

District: Verona Area School District

Estimated Expenditures per Student in 1997-98: $3,677

Grades Served: Kindergarten through 8th

September 1997 Enrollment:

Asian	1
African-American	1
Hispanic	3
Native American	0
White	231
Total	236

Head Administrator: Director, who is the school's principal

First Month as a Charter School: August 1996

Duration of Contract: 5 years

Core Knowledge Charter School was established by a group of district parents who were committed to providing an instructional approach not offered in other district schools.

The school's program adheres to the Core Knowledge Sequence, which emphasizes a back-to-the-basics curriculum. Students learn the fundamentals of cultural literacy, including visual arts, music, different cultures and societies, science, and language arts, in a structured, progressive format. Using Direct Instruction, students practice and review learned skills in reading, mathematics, spelling, and written language. Kindergarten through fifth-grade students receive Spanish instruction.

Any district student is eligible to attend the charter school. Last year, parents mailed registration forms, and school staff conducted a daily lottery of forms they received until all spaces were filled. For the 1999-00 school year, low-income and special education students will receive admission preference. A lengthy waiting list exists.

3rd Grade Reading Comprehension Test
Percentage of Students Scoring in Each Proficiency Level
1997-98 School Year

Proficiency Level	Core Knowledge Charter School	Verona Area School District
Minimal	3.5%	3.9%
Basic	13.8	19.7
Proficient	48.3	47.8
Advanced	31.0	24.4
Not Tested	3.4	4.2

4th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Core Knowledge Charter School	Verona Area School District
Reading	95%	81%
Enhanced Language	58	48
Math	69	67
Science	79	77
Social Studies	68	74

8th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Core Knowledge Charter School	Verona Area School District
Reading	77%	76%
Enhanced Language	43	33
Math	53	59
Science	71	72
Social Studies	81	82

Deerfield Charter High School

Type: At-risk charter school

District: Deerfield Community School District

Estimated Expenditures per Student in 1997-98: $5,571

Grades Served: 9th through 12th

September 1997 Enrollment:

Asian	0
African-American	1
Hispanic	2
Native American	0
White	10
Total	13

Head Administrator: None; the school's sole teacher makes day-to-day operational decisions

First Month as a Charter School: October 1996

Duration of Contract: 3 years

Program Description:

Deerfield Charter High School was established as an alternative high school in January 1996. The school, which was converted to a charter school to take advantage of charter school licensing and permit options and the exemption from state education regulations, is located in Deerfield High School.

The school's program is divided into four- to six-week terms. In each term, students explore a theme, such as healthy living, which serves as the framework within which the teacher presents one or more subjects. Beginning in 1997-98, students have worked toward earning Deerfield Charter High School diplomas. To earn a diploma, students must complete 200 hours of private employment, perform 400 hours of community service, take core courses at the school, and complete a portfolio that summarizes their schoolwork. Students must also take electives that may include additional employment or community service.

Students are referred to the school by high school teachers and staff or by parents. District, high school, and charter school staff review the students' profiles and rank them based on criteria such as truancy, credit deficiency, behavioral problems, and adjudication. Students are interviewed and enroll if they are considered sufficiently interested in and capable of benefiting from the program.

10th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Deerfield Charter High School*	Deerfield Community School District
Reading	Not Available	74%
Enhanced Language	Not Available	27
Math	Not Available	44
Science	Not Available	52
Social Studies	Not Available	67

* Test scores are unavailable because they are combined with non-charter school students' scores.

Highland Community School

Type: General education charter school

District: Milwaukee Public Schools

Estimated Expenditures per Student in 1997-98: $7,262

Grades Served: Pre-kindergarten through 3rd

September 1997 Enrollment:

Asian	1
African-American	54
Hispanic	3
Other	3
White	12
Total	73

Head Administrator: Executive director, who heads a three-person administrative team

First Month as a Charter School: August 1996

Duration of Contract: 3 years

Program Description:

Highland Community School, which was a private school for over 25 years, participated in the Milwaukee Parental Choice Program but converted to charter school status primarily because of the increased funding that is available from the charter school program.

Highland Community School adheres to the Montessori philosophy, which is based on the premise that all children are born with a desire to learn and which emphasizes the need for children to develop at their own pace intellectually, physically, and emotionally. The curriculum provides basic academic skills, with learning taking place in the community as well as in the classroom. Students ages 2½ to 5 are placed in the Children's House, while students ages 6 to 9 are placed in the Junior School. Within each, teachers group students according to their ability.

Parents who live in the neighborhood and are interested in enrolling their child meet with a teacher and parents of enrolled students to learn about the school. The school enrolls students on a first-come, first-served basis. Staff keep a waiting list for students unable to enroll because of space limitations.

3rd Grade Reading Comprehension Test
Percentage of Students Scoring in Each Proficiency Level
1997-98 School Year

Proficiency Level	Highland Community School	Milwaukee Public Schools
Minimal	28.6%	13.1%
Basic	42.8	25.3
Proficient	14.3	39.2
Advanced	14.3	10.5
Not Tested	0.0	11.9

James Wright Middle School

Type: General education charter school

District: Madison Metropolitan School District

Estimated Expenditures per Student in 1997-98: $7,167

Grades Served: 6th through 8th

September 1997 Enrollment:

Asian	13
African-American	116
Hispanic	10
Native American	0
White	58
Total	197

Head Administrator: Principal of the charter school

First Month as a Charter School: December 1994

Duration of Contract: 5 years

Program Description:

Wright Middle School was established as Madison Middle School 2000 in 1993. The district converted the school, which is located in a new building, to a charter school to take advantage of charter school licensing and permit options.

Wright Middle School offers an integrated curriculum, which allows teachers to present multiple subjects at the same time within the context of a common theme. The school's administrators place students in groups and assign them several teachers, who stay with their groups the entire year. The school has two computer labs, as well as computers in every classroom; students are required to become computer-proficient.

Students submit an application for admission to the charter school and are selected on a first-come, first-served basis. A waiting list has not been necessary because the school has never reached its full capacity.

8th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	James Wright Middle School	Madison Metropolitan School District
Reading	53%	65%
Enhanced Language	13	20
Math	23	40
Science	47	59
Social Studies	53	70

Kickapoo River Institute

Type: General education charter school

District: North Crawford School District

Estimated Expenditures per Student in 1997-98: $4,729

Grades Served: 9th through 12th

September 1997 Enrollment:

Asian	0
African-American	0
Hispanic	0
Native American	0
White	23
Total	23

Head Administrator: The school's sole teacher was the coordinator/principal

First Month as a Charter School: August 1997

Duration of Contract: 5 years

Program Description:

The Kickapoo River Institute, which served students from the Kickapoo Area, North Crawford, Viroqua Area, and Westby Area school districts, was established as a charter school to offer students an educational approach different from those of district schools and to take advantage of charter school licensing and permit options. The school, which was located in a former elementary school in the North Crawford School District, closed in September 1998.

The school offered an ecologically and environmentally focused program to high school students. Instead of attending traditional classes, students worked on projects upon which they collectively agreed, such as studying the history of the Kickapoo River Valley. Classes were not confined to typical school hours or days; evening and weekend work was not uncommon. In addition, students worked on their projects at locations outside of the classroom for over 100 days of the school year. Students earned credits towards a North Crawford High School diploma based on their mastery of the state educational standards.

Students were selected on a first-come, first-served basis. North Crawford School District students were given priority, with second priority given to students in surrounding school districts.

10th Grade Knowledge and Concepts Examination
Percentage of Students with Advanced or Proficient Test Scores
1997-98 School Year

Subject Area	Kickapoo River Institute*	North Crawford School District
Reading	Not Available	52%
Enhanced Language	Not Available	26
Math	Not Available	34
Science	Not Available	45
Social Studies	Not Available	57

* Test scores are unavailable because they are combined with non-charter school students' scores.

Ladysmith Evening Alternative School

Type: At-risk charter school

District: Ladysmith-Hawkins School District

Estimated Expenditures per Student in 1997-98: $4,474

Grades Served: 9th through 12th

September 1997 Enrollment:

Asian	0
African-American	0
Hispanic	0
Native American	1
White	12
Total	13

Head Administrator: The principal of the district's high school

First Month as a Charter School: January 1997

Duration of Contract: 1 year

Program Description:

Ladysmith Evening Alternative School was established as an alternative evening program in the summer of 1996. The district expanded and converted the program to a charter school to take advantage of charter school licensing and permit options. The school is located in Ladysmith-Hawkins High School.

The school is made up of three programs: an evening alternative program, a daytime support program, and a summer school program. The evening program is offered to 11th- and 12th-grade students from 4:00 p.m. to 8:00 p.m., Mondays through Fridays. Students, who must complete core courses and may complete additional credits through an individualized study program, earn a district high school diploma. The daytime support program is offered to 9th- and 10th-grade students during normal school hours to improve their reading, writing, and study skills. The summer school program is offered to any high school student who has a credit deficiency.

A committee made up of the charter school teacher, high school staff, and a Rusk County social worker evaluates students who are referred to, or apply to, the school. Teachers develop individualized education plans for students accepted into the school

10th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Ladysmith Evening Alternative School*	Ladysmith-Hawkins School District
Reading	Not Available	77%
Enhanced Language	Not Available	42
Math	Not Available	45
Science	Not Available	58
Social Studies	Not Available	80

* Test scores are unavailable because they are combined with non-charter school students' scores.

Lancaster Academy

Type: At-risk charter school

District: Lancaster School District

Estimated Expenditures per Student in 1997-98: $9,376

Grades Served: 9th through 12th

January 1998 Enrollment:

Asian	0
African-American	0
Hispanic	0
Native American	0
White	5
Total	5

Head Administrator: The district superintendent

First Month as a Charter School: January 1998

Duration of Contract: 5 years

Program Description:

Lancaster Academy, which serves students who are at risk of failing in or dropping out of high school or have special educational needs, was established as a charter school to take advantage of the exemption from state education regulations. The school is located in the Lancaster School District's central administration building.

The school operates from 2:30 to 9:00 p.m., Mondays through Thursdays. A life skills component, which focuses on personal and financial responsibility, is taught from 2:30 to 5:30 p.m. A different core course, including English, mathematics, science, and social studies, is taught from 6:00 to 9:00 p.m. each night. Almost all coursework is presented by a computer software program that allows students to complete their work and check their answers at their own pace. Students earn credits toward a Lancaster High School diploma. Students are required to work or complete five hours of community service each week.

The school's teacher interviews students, who are referred to the school by high school teachers and counselors and who submit an application, to determine whether the charter school is appropriate for them. Students must sign a contract that stipulates they agree with the school's discipline and educational policies.

Knowledge and Concepts Examination test score results are unavailable for Lancaster Academy because the school was not open in October 1997, when the tests were administered.

McKinley Charter School

Type: At-risk charter school

District: Eau Claire Area School District

Estimated Expenditures per Student in 1997-98: $10,512

Grades Served: 6th through 12th

September 1997 Enrollment:

Asian	0
African-American	2
Hispanic	0
Native American	1
White	40
Total	43

Head Administrator: The district's director of at-risk education

First Month as a Charter School: August 1996

Duration of Contract: 5 years

Program Description:

McKinley Charter School, which serves students who were not successful in other district alternative programs, was established as a charter school to take advantage of the exemption from state education regulations. The school is located in a renovated elementary school. Eau Claire Area and Altoona school district students are eligible to attend the school.

Students at McKinley enroll in the credit component or the High School Equivalency Diploma component of the school. Students in the credit component attend school from 11:30 a.m. to 4:30 p.m. each day. Teachers use themes, such as the Holocaust, to present material in the core subject areas. Students either work toward a McKinley Charter School diploma, or they transfer to their traditional high schools before graduation to receive a high school diploma. Students working toward a High School Equivalency Diploma attend class from 9:00 a.m. to noon, 1:00 p.m. to 4:00 p.m., or 5:30 to 8:30 p.m., and they take the exam at a technical college.

Middle school and high school staff refer students to the school when an opening occurs. Charter school staff assess each student's profile to ensure they accept students who will not harm other students or staff and who have a commitment to earning a diploma. Students are referred directly to the High School Equivalency Diploma component.

8th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	McKinley Charter School*	Eau Claire Area School District
Reading	Not Available	72%
Enhanced Language	Not Available	19
Mathematics	Not Available	35
Science	Not Available	59
Social Studies	Not Available	78

* Too few students completed the examination for their scores to be reported.

10th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	McKinley Charter School*	Eau Claire Area School District
Reading	Not Available	67%
Enhanced Language	Not Available	34
Mathematics	Not Available	46
Science	Not Available	51
Social Studies	Not Available	70

* Too few students completed the examination for their scores to be reported.

Middleton Alternative Senior High

Type: At-risk charter school

District: Middleton-Cross Plains School District

Estimated Expenditures per Student in 1997-98: $4,857

Grades Served: 9th through 12th

September 1997 Enrollment:

Asian	0
African-American	2
Hispanic	3
Native American	0
White	61
Total	66

Head Administrator: An assistant principal at the district's high school

First Month as a Charter School: August 1995

Duration of Contract with School Board: 5 years

Program Description:

In 1993, the district established an at-risk program within the high school. The program was converted to a charter school to take advantage of charter school licensing and permit options and the exemption from state education regulations. The charter school is housed in a former office building near the district's high school.

There are three components to the school. First, the main program serves primarily 10th- through 12th-grade students who are working toward a Middleton High School diploma. Students complete elective credits at the high school or the charter school, and they receive credit for work or community service. Second, the Dreams program offers 10th-grade students English and social studies instruction for two periods each day, as well as general study skills. Third, the Employability Skills program serves students who will likely not earn a high school diploma. Students work during the day and attend evening classes that prepare them for the General Education Development examination or High School Equivalency Diploma examination.

High school guidance counselors refer students to the program. Charter school staff review applications, interview each student, and admit those students who will most likely benefit from the school.

10th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Middleton Alternative Senior High*	Middleton-Cross Plains School District
Reading	Not Available	79%
Enhanced Language	Not Available	47
Mathematics	Not Available	63
Science	Not Available	64
Social Studies	Not Available	80

* Test scores are unavailable because they are combined with non-charter school students' scores.

New Century School

Type: General education charter school

District: Verona Area School District

Estimated Expenditures per Student in 1997-98: $4,410

Grades Served: Kindergarten through 5th

September 1997 Enrollment:

Asian	3
African-American	1
Hispanic	1
Native American	0
White	70
Total	75

Head Administrator: An unpaid volunteer who coordinates the school's daily operations

First Month as a Charter School: August 1995

Duration of Contract: 5 years

Program Description:

New Century School was established as a charter school to provide an additional educational choice to district families. The school is housed in a former district school.

New Century School's educational program is based on multi-age grouping of students, a thematic curriculum, and cooperative learning. Students are placed in one of three multi-grade classroom levels that include kindergarten and first-grade, second- and third-grade, and fourth- and fifth-grade students. Teachers present a mathematics and science-based curriculum within themes, such as space exploration, designed by teachers and students. Students conduct research on topics they choose, with the whole school acting as peers and mentors. Students also work in groups, which fosters cooperation and develops social skills. All students receive Spanish instruction.

All district students are eligible to attend the school. Staff randomly select students in such a way that students from all three of Verona's elementary neighborhoods are represented at the school. Students who are unable to enroll because of space limitations are placed on a randomly selected waiting list.

3rd Grade Reading Comprehension Test
Percentage of Students Scoring in Each Proficiency Level
1997-98 School Year

Proficiency Level	New Century School	Verona Area School District
Minimal	0.0%	3.9%
Basic	27.3	19.7
Proficient	54.5	47.8
Advanced	18.2	24.4
Not Tested	0.0	4.2

4th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	New Century School	Verona Area School District
Reading	88%	81%
Enhanced Language	63	48
Mathematics	88	67
Science	100	77
Social Studies	88	74

Paideia Academy

Type: General education charter school

District: Kenosha Unified School District

Estimated Expenditures per Student in 1997-98: $4,789

Grades Served: 7th through 8th

September 1997 Enrollment:

Asian	2
African-American	5
Hispanic	4
Native American	0
White	35
Total	46

Head Administrator: Two teachers co-direct the program

First Month as a Charter School: August 1997

Duration of Contract: 3 years

Program Description:

Paideia Academy was established as a charter school to take advantage of the exemption from state education regulations. The school is housed in a former Head Start site located in a parish.

Paideia Academy uses the three Paideian instructional methods: 1) teachers lead the learning process; 2) teachers provide guidance for project-oriented components of the program; and 3) students read material and discuss it with other classmates and the teacher. The school stresses core courses, such as English, mathematics, science, and social studies, in classes that last 75 minutes each.

Students are admitted to the school on a first-come, first-served basis and must sign a contract that stipulates they agree with the school's discipline and dress code policies.

8th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Paideia Academy	Kenosha Unified School District
Reading	67%	56%
Enhanced Language	19	13
Mathematics	24	19
Science	47	43
Social Studies	67	57

School of Technology and Arts I

Type: General education charter school

District: La Crosse School District

Estimated Expenditures per Student in 1997-98: $1,894

Grades Served: Kindergarten through 5th

September 1997 Enrollment:

Asian	0
African-American	1
Hispanic	0
Native American	0
White	67
Total	68

Head Administrator: The principal of a district elementary school

First Month as a Charter School: October 1995

Duration of Contract: 3 years

Program Description:

The School of Technology and Arts I opened as a public school in August 1995. The district converted the school to a charter school to take advantage of charter school licensing and permit options, the exemption from state education regulations, and funding available from the federal charter school grant program. The school shares space with a traditional public elementary school.

Five features distinguish the school. First, the school has non-graded, multi-age classrooms. Second, teachers use a variety of work products, such as projects and performances, to assess student performance. Third, teachers, with the assistance of parents and students, customize an optional educational plans for students. Fourth, teachers emphasize arts and technology in the instruction process to promote hands-on learning. Fifth, an executive steering committee made up of parents and staff governs the school.

Students are selected by a random lottery that is conducted for each age level. A waiting list for each age level is created using a random lottery.

3rd Grade Reading Comprehension Test
Percentage of Students Scoring in Each Proficiency Level
1997-98 School Year

Proficiency Level	School of Technology & Arts I	La Crosse School District
Minimal	0.0%	2.7%
Basic	0.0	15.1
Proficient	7.7	39.9
Advanced	92.3	20.1
Not Tested	0.0	22.2

4th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	School of Technology & Arts I	La Crosse School District
Reading	100%	59%
Enhanced Language	71	29
Mathematics	86	49
Science	86	54
Social Studies	86	57

School of Technology and Arts II

Type: General education charter school

District: La Crosse School District

Estimated Expenditures per Student in 1997-98: $2,486

Grades Served: 6th through 8th

September 1997 Enrollment:

Asian	1
African-American	1
Hispanic	0
Native American	1
White	38
Total	41

Head Administrator: The principal of a district middle school

First Month as a Charter School: August 1997

Duration of Contract: 4 years

Program Description:

The School of Technology and Arts II continues the educational approach of the School of Technology and Arts I for middle school students. The school was created as a charter school to take advantage of charter school licensing and permit options and the exemption from state education regulations. The school shares space with a traditional public middle school.

The school is based upon the same five features as the School of Technology and Arts I. First, the school has multi-age classrooms. Second, teachers use a variety of work products, such as projects and performances, to assess student performance. Third, teachers, with the assistance of parents and students, customize an educational approach for each student. Fourth, teachers emphasize arts and technology to promote hands-on learning, and they present subjects as they apply to general themes, which students help to select. All students receive Spanish instruction, and eighth-grade students complete a final research project on a topic of their choice. Fifth, an executive committee made up of parents and staff governs the school.

Students register and enroll at the school on a first-come, first-served basis. There is currently no waiting list.

8th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	School of Technology & Arts II	La Crosse School District
Reading	67%	59%
Enhanced Language	7	16
Mathematics	47	32
Science	67	55
Social Studies	87	67

Teachers Educating, Advising, and Mentoring Students

Type: General education charter school

District: Stevens Point Area School District

Estimated Expenditures per Student in 1997-98: $1,885

Grades Served: 10th through 12th

September 1997 Enrollment:

Asian	1
African-American	2
Hispanic	0
Native American	0
White	92
Total	95

Head Administrator: The principal of the district's high school

First Month as a Charter School: August 1994

Duration of Contract: 5 years

Program Description:

Teachers Educating, Advising, and Mentoring Students was initially planned to be a program that would experiment with team teaching and the inclusion of special needs students into regular classrooms. After the Legislature created the charter school program, the district instead decided to establish a charter school to take advantage of the exemption from state education regulations. The school is located at the district's high school.

Charter school students attend the district high school for part of the day. Tenth-grade students attend the charter school for three hours each day and take classes in English, biology, social studies, and employment preparation. Eleventh-grade students attend the charter school for two hours each day and take an integrated social studies and language arts class, an ecology class, and an employment preparation class. Twelfth-grade students attend the charter school for one hour each day and work on independent study, employment readiness, or community service projects.

Prior to enrollment, students and their parents meet with the charter schools' teachers, who admit those students most likely to benefit from the school's educational approach. Students who are not admitted are placed on a waiting list.

10th Grade Knowledge and Concepts Examination
Percentage of Students with Proficient or Advanced Test Scores
1997-98 School Year

Subject Area	Teachers Educating, Advising, and Mentoring Students	Stevens Point Area School District
Reading	51%	57%
Enhanced Language	24	30
Mathematics	25	40
Science	30	37
Social Studies	68	71

****

APPENDIX II

New Charter Schools

Fourteen new charter schools had opened as of October 1998, with an estimated enrollment of approximately 490 students. All but one school enroll fewer than 50 students. Nine schools enroll students at risk of failing in or dropping out of school, while the other five schools provide students with a general education. As shown in the figure on the next page, the schools are located throughout the state.

New Charter Schools
1998-99 School Year

Charter School	Type	School District	Grades Served	Estimated Enrollment
Coulee Montessori Charter School	General education	La Crosse	Kindergarten-2	38
Downtown Montessori Academy*	General education	Milwaukee	Kindergarten	36
Glidden Charter School	At-risk	Glidden	3-12	12
Khamit Institute*	General education	Milwaukee	Kindergarten-8	48
Leadership Academy Charter School	At-risk	Lac du Flambeau	6-8	10
Lucas County Alternative School	At-risk	Menomonie Area	9-12	16
Marva Collins Preparatory School*	General education	Milwaukee	Kindergarten-4	180
Mauston Alternative Resource School	At-risk	Mauston	6-8	12
Monona Grove Alternative High School	At-risk	Monona Grove	9-12	9
Monroe Alternative Charter School	At-risk	Monroe	9-12	15
Nature and Technology Charter School	At-risk	Woodruff	6-8	16
Project Opportunity	At-risk	St. Francis	9-12	45
Trevor Accelerated Program	General education	Salem	Kindergarten	30
Waupaca County Charter School	At-risk	Waupaca**	7-12	20

* Chartered by the City of Milwaukee.
** Located in Iola.

School Districts with New Charter Schools
1998-99 School Year

State of Wisconsin
Department of Public Instruction
Mailing Address: P.O. Box 7841, Madison, WI 53707-7841
125 South Webster Street, Madison, WI 53702
(608) 266-3390 TDD (608) 267-2427 FAX (608) 267-1052
Internet Address: www.dpi.state.wi.us

John T. Benson
State Superintendent

Steven B. Dold
Deputy State Superintendent

December 3, 1998

Janice Mueller, State Auditor
Legislative Audit Bureau
131 East Wilson Street
Madison, WI 53703

Dear Ms. Mueller:

This is in response to your evaluation of the charter school program as required by 1993 Wisconsin Act 16. My compliments to you and your staff on the very thorough and professional approach reflected in the evaluation. The report highlights some of the strengths and identifies several unresolved issues in Wisconsin's current charter school program. This evaluation will be a valuable resource to legislators and others interested in gaining a better understanding of where we are and where we may want to go with regard to charter schools in Wisconsin.

One of the many important issues addressed in the audit report relates to schools chartered by the City of Milwaukee, the University of Wisconsin-Milwaukee (UW-M), and the Milwaukee Area Technical College (MATC) under s. 118.40(2r). I believe this new charter school provision is innovative, focuses on improving educational opportunities for children, and should be implemented in the 1998-99 school year. However, as the audit report correctly points out, we continue to have ongoing discussions with the City of Milwaukee regarding assurance that the rights of children with disabilities in these schools under Section 504 of the federal Rehabilitation Act of 1973 and the federal Individuals with Disabilities Act (IDEA) are protected.

These charter schools are public schools and, as such, must comply with both of these federal laws and the overlapping requirements. The city now agrees these schools are public schools and as such, must follow Section 504. Our most recent discussion with city officials on November 20 leaves me confident that we will be able to resolve in the near future the final issue regarding implementation of IDEA in these schools without a lawsuit. This has not been an issue with the other chartering entities. In particular, the UW-M agrees with the department's position that charter schools are public schools and therefore are responsible for assuring that the rights of children with disabilities are protected under Section 504 and IDEA.

I support the expansion of public educational options for all children and believe that increasing and improving charter schools can be an effective means toward expanding those options. Because s. 118.40(2r) contains no limit as to the number or income of participating children, this public charter school option could expand to include a significant number of children in Milwaukee. However, if this option were to be unavailable to children with disabilities, we would create a dual-track system of public education--one track for children with disabilities and another track for their nondisabled peers. We have moved beyond the days of segregation and exclusion of children with disabilities, and have federal laws to prevent the return to segregation and exclusion.

In light of our dialogue with the city on this issue, the legislature may want to clarify that charter schools are public schools. Indeed, in the 30 states that have charter school programs, they are all public. Federal charter school laws treat these schools as public. In addition, in most states, charter school statutes specifically state that these schools are responsible for serving children with disabilities under Section 504 and IDEA in the same way all public schools must. The legislature may also wish to add such a specific clarification.

Finally, the department has taken steps to assure that the charter schools established by the City of Milwaukee, UW-M, and MATC will receive all federal funds and state categorical aids that are made available to public schools. The department has included a statutory language proposal as part of its 1999-2001 budget request to the Governor that would make these charter schools eligible to receive state categorical aids.

In closing, I want to thank your staff for the courtesy and professionalism extended to us during this project.

Sincerely,

John T. Benson

John T. Benson
State Superintendent

JTB:gfr